MARKET DEVELOPMENT

A WORKSHOP MODEL

VSO
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VSO is the world's leading independent international development organisation that works through volunteers to fight poverty in developing countries.

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Cover photo: Sada Juma and Mfaume Mohammed catch a fattened crab for market on Zanzibar, Tanzania – see page 6 for full story. Copyright: VSO/Ben Langdon

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FOREWORD

VSO has been working in the area of market development since 2006, when our first pilot programme began in Zanzibar. Through a process of research, learning and consultation with programme staff, partner organisations and volunteers, VSO has since rolled out our approach to increasing market access for poor and marginalised women, men and youth in over 15 VSO country programmes worldwide.[1]

Our experience has demonstrated the value of introducing a market focus into rural enterprise development programmes and the importance of building understanding of whole market chains and developing co-operation within the chain in order to achieve better outcomes for disadvantaged women, men and young people. The pilot project on Zanzibar – where women are rearing mud crabs to sell to lucrative tourist markets (see case study on the following page) – has provided inspiration to many within the VSO family and beyond. Shifting the orientation of our support to rural agricultural producers towards a market focus has required us to develop new skills in research and facilitation as well as awareness of our own roles, as VSO staff, volunteers or partner organisations, within markets. Above all, our experience has shown us the need to continue to build our understanding of what working in market chains involves.

Although there are many resources on market and value chain development available, we found we needed more practical training tools to bring our approach to life for people working in communities and to build the skills to adopt new ways of working. Our aim therefore has been to produce a step-by-step manual introducing the key concepts and practical skills needed to introduce market-orientated approaches to rural enterprise development projects.

We are grateful to other organisations working in this area who have shared their experiences and expertise and whose resources we have drawn upon (see references section for details). We have trialled the workshop design in three training events in Africa and Asia. We would like to thank VSO programme staff, volunteers and representatives of partner organisations for facilitating these events and their active participation during them.
We have endeavoured to make it as easy as possible for you to use these tools with your colleagues in your local context by adopting an action learning approach based on real markets that you want to find out more about.

The hard work of compiling the materials and developing the manual has been carried out by Alan Webb, CUSO–VSO Training and Development Advisor, and Paul Wooster, Rural Development Consultant (and former VSO Programme Development Advisor – Secure Livelihoods), supported by Hannah Davis, Secure Livelihoods Project Co-ordinator.

Throughout this process, we have learnt through experience, so we would welcome any feedback from you as users of this manual. You can communicate this to us either through your local VSO Programme Manager or directly using the contact details on the inside cover.

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[1] An overview of VSO's approach to market development is available in the position paper, ***VSO & Secure Livelihoods 2008-2013***, which is included on the CD that accompanies this manual.

CASE STUDY IN MARKET DEVELOPMENT: MUD CRAB FARMING ON UNGUJA ISLAND, ZANZIBAR

On Zanzibar, large mud crabs are a delicacy in high demand by tourist hotels and restaurants. This type of crab is not usually consumed by local people, however, and so when fishermen catch small crabs they are either sold for a low value or thrown away. VSO's introduction of a new approach to farming crabs has enabled local co-operatives and women's income generation groups to obtain higher prices for small crabs by fattening them first in rearing pens. Once crabs are over a kilogram in weight, fishers' co-operatives can sell the crabs for optimum prices directly to hotels or at lower prices to middlemen or Stone Town restaurants.

In 2005, VSO Tanzania formed partnerships with a number of organisations involved in supporting those whose livelihoods depend on natural resources, such as fruit, vegetables, timber and fisheries. This included local government, an association for farmers, fishers and local groups of disadvantaged women and men making a living from land or sea. VSO's strategy was to develop the capacity of these organisations so that the poorest and most marginalised groups were able to realise opportunities, access markets and more profitably sell their goods in local market chains.

VSO volunteers placed within local government carried out a participatory study – using methodologies similar to those described in this manual – to identify opportunities to increase the profit share for poorer groups within existing market chains. One of the main findings was that tourist hotels were regularly sourcing produce from the mainland because of problems with local supply chains. A new market opportunity was identified that could add value to the mud crabs that were normally caught wild and either sold on at a relatively low price or discarded as waste.

Volunteers and their colleagues launched a project with local fishers' co-operatives and women's groups to fatten crabs in pens in order to produce a reliable supply of crabs of superior quality and size. Training was provided to members of these groups to improve their business management skills and to help them learn more effective techniques in capturing, feeding and rearing the crabs.

Sada Juma and her Kisasasaka women's group buy or trap immature crabs and fatten them in homemade pens. They feed them fish scraps, which is a waste product of their husbands' businesses. 'We bought him when he was small for 500 shillings (20p),' explains Sada (see photo on front cover). 'For the last six weeks we have been fattening him with fish scraps. He now weighs about two kilos. So we can sell him to a hotel for up to 5,000 shillings (£2.10).'

At the same time, VSO volunteers worked on the responsiveness of the tourism sector and found two hotels willing to trade. All sides were facilitated to reach an agreement about quantity and quality, and how to sell crabs without incurring unmanageable transport costs for women's groups.

The work is continuing today and looks likely to be replicated in other locations, including the nearby island of Pemba. Changes for the women are already visible in the form of increased income to meet household needs, such as food, healthcare and school fees, and improved book-keeping and planning skills. Some of the groups have also begun to use the profits to provide loans to their members at low rates of interest. Women have gained status from a successful income-generating activity, and a voice in how this money is spent. 'If my baby gets sick I don't have to wait for my husband to get back from the sea to take her to the clinic,' Sada says. 'I can get transport and buy medicine myself.'

The work has also had a positive impact on other parts of the market chain. Hotel attitudes towards buying local produce are changing and so the gap between Unguja's high-end tourism and the local islanders' subsistence lifestyle seems to be closing. Other NGOs have incorporated the results of market chain research into their own programmes, and a 'crowding-in effect' has seen more local groups forming to rear mud crabs and take advantage of the market opportunities.

PART 1: PREPARING FOR THE WORKSHOP

OVERVIEW OF WORKSHOP AND MATERIALS

We have designed this workshop as a practical introduction to market development work for NGO staff and their communities. The flow of the workshop closely mirrors the flow of a typical real market assessment project:

1. Some theory and rationale for carrying out market development work
2. Consideration of a specific local market
3. Participants prepare for, and then implement, market research
4. They then analyse the data gathered in that research. They develop a visual map of the whole market situation, particularly identifying the constraints and opportunities in the market
5. This leads to discussion of possible solutions
6. These solutions are validated in a simulated stakeholder meeting.

We intend that the workshop will provide enough experience for people to advocate for and facilitate market development activities that benefit poor and marginalised people. Throughout the workshop, we encourage participants to consider the implications of their learning on their own 'home' context.

The last session of the workshop focuses on action planning – an opportunity for individual participants to set goals for themselves and their organisation as a result of their learning from the workshop. We suggest that there is some follow up about six months after the workshop to provide additional motivation and support in moving towards these goals.

These materials comprise:

1. This manual, which includes:
   - Information about preparing to run the workshop
   - Session plans and notes for the facilitation team
   - A list of references and useful resources.
2. A PowerPoint slideshow of the suggested visual resources for the workshop (on the accompanying CD). PowerPoint is not essential for running the workshop and the slides could instead be printed in the participants' handout pack or reproduced on flipcharts. Prompts to introduce each slide (or other visual reproduction of this information) are included throughout the session plans and highlighted in bold text.
3. A suggested handout pack for participants (on the accompanying CD). The icon on the right is used throughout the session plans as a prompt to refer participants to a particular handout.

4. The hard copy materials are also included on the accompanying CD in their original Microsoft Word format for editing and customising as necessary. The CD also includes several supporting resources, including VSO's Market Assessment Guidelines, which provide more technical information about running a market assessment, particularly within VSO's own context.

WORKSHOP PLANNING TIMELINE

In order for the workshop to be most effective, a significant lead-in time is needed for planning and preparation. The chart below gives a rough guideline for the sequencing of different activities. Three months should be sufficient time to plan and prepare, if logistical support is available.

PLANNING ACTIVITY	Twelve weeks before	Ten weeks before	Eight weeks before	Six weeks before	Four weeks before	Two weeks before	Week of workshop
Identify the facilitation team	X						
Identify participants		X					
Invite participants			X				
Conduct learning needs analysis			X	X			
Refine and adapt workshop		X	X	X	X		
Select a suitable market for study			X				
Identify informants				X	X		
Plan and schedule research interviews						X	
Workshop delivery							X
TIME	→						

A lead-in time shorter than three months may be possible but careful attention should be paid to the learning needs analysis and the time required to plan the field research. Guidance for each of these activities is given below.

SELECTING THE FACILITATION TEAM

The materials in the pack are designed for use by a facilitation team with certain characteristics.

Some of the session plans here include little specific detail because, to be effective, they must be designed with the particular context in mind, and/or are dependent on the style and preferences of facilitators. More detail is included where it helps complex technical information to be considered in experiential participatory ways, but facilitators should have proven ability to adapt and change the process according to the needs of a group without sacrificing the aims of the workshop.

It is important therefore that the facilitation team is chosen with this in mind.

The facilitation team should include:

- Expertise and experience in market development work and specifically value chain development in a pro-poor setting. Both theoretical knowledge and practical experience in the field are necessary
- Expertise and experience in group and process facilitation with a particular focus on participatory methodology.

A minimum of two facilitators is required to run the course; three may be needed for larger groups of participants.

SELECTING PARTICIPANTS

There are a number of considerations when identifying participants for your training:

1. Choose the right number of people – between 12 and 16 people is ideal for this training to gain the right level of participation.
2. Find the relevant and right combination of people – you may want to set criteria for participation based on priorities of your organisation (for example, the inclusion of women, young people or people with disabilities) or on the focus of your programmes (for example, involvement in a particular market chain or geographical area, or contribution to environmental conservation). In addition to this, we recommend the following criteria for participating organisations and individuals:

Organisations should:

- have an explicit and long-term commitment to increasing poor people's access to and participation in markets
- have sufficient capacity to apply learning from the training within their organisation and to support colleagues and beneficiaries to learn
- have experience and/or ongoing activities related to market development for poor people.

Individuals should:

- be a member of and/or work in support of groups generally excluded from the benefits of market activity (women, disabled people, ethnic minorities, etc)
- have aptitude and interest to facilitate onwards training to colleagues, beneficiaries and peers, based on learning from the training
- have long-term involvement with the organisation they represent and sufficient time remaining within their contract of employment to apply learning and advocate approaches with colleagues, beneficiaries and peers.

LEARNING NEEDS ANALYSIS

The workshop materials here should be deliverable as they are, but we recommend that they are adapted according to the needs of the participants and the 'sponsoring' organisation. This raises the need for a thorough understanding of the learning needs of participants.

A structured learning needs analysis (LNA) process should give you enough information about the participants' current experience and knowledge against your aims for the workshop.

An example process for LNA could include:

1. Surveying participants (on paper or electronically) against a set of general competencies. A survey could include self-rating against the market development related competencies:
   1. Understanding/knowledge about how markets work
   2. Skills/experience in Participatory Rural Appraisal/action research
   3. Skills/experience in market research
   4. Skills/experience in enterprise development
   5. Skills/experience in planning and facilitation.

   And include a general question:

   6. What other training would help you to be involved more effectively in market development work?
2. Semi-structured interviews (by phone or face to face) to gain more depth of detail on each participant's responses to the survey.
3. Drafting specific outcomes and an agenda (using or adapting the contents of this manual) – for example, allowing more time for themes that show up as greater learning needs – and testing with some or all of the potential participants.

CASE STUDIES

Several discussions encourage participants to share their own experiences of markets in order to make the workshop material as relevant as possible. If time and logistics allow, ask participants to prepare and submit one or two short case studies before the workshop. These will then provide some useful material for the discussions.

On the CD that accompanies this manual you will find a template letter that you can adapt and use. It describes some of the range of possibilities that participants can choose from and guides them to provide the most useful kinds of information.

When submitted, you could edit or adapt the participants' contributions into a format most useful for the training. Three sample case studies from Tanzania (fruit and vegetables), Kazakhstan (sustainable tourism) and Malawi (dairy) are included in the suggested participants' handout pack on the accompanying CD.

ADAPTING THE WORKSHOP

As mentioned above, a suggested handout pack is included on the accompanying CD. You need to consider whether you will provide all the handouts or a selection. The workshop sessions presented here form a basic workshop to suit most circumstances but some adaptation may be necessary based on your participant group. Use the needs analysis to determine whether some pieces are unnecessary, whether more basic information may be needed first, or whether more extensive coverage on some topics would be helpful.

Other adaptations may be necessary for logistical reasons or because of availability of participants.

SELECTING A MARKET FOR THE PRACTICAL RESEARCH

This workshop is designed to give participants as much practical experience of market development work as possible. At the centre of this, the practical session is the opportunity for participants to try out market research interviewing techniques in a realistic setting. Your training venue location should therefore be within easy reach of the actors involved in the market that you have identified for the research.

Here are a few considerations when selecting a suitable market for the practical:

- The market should present opportunities to benefit your target group– for example, large numbers of poor or disadvantaged people either involved or potentially involved in the chain as primary producers, processors, employees, etc.
- A market that you already have some data on and/or studies on the socio-economic situation of the target group is much better than one you know nothing about. But if it is not possible to find a market that has already been studied, you may need to do some pre-course research to find out:
  - the extent of involvement by poor and disadvantaged people in the market
  - their general socio-economic conditions and other aspects of livelihood
  - who the main actors in the market are, where they are based and their availability for interview
  - evidence of demand for the product and competitiveness on the global or local market
  - potential for increased income through added value, increased productivity or employment generation.
- You don't want to waste people's time by collecting data purely as a training exercise, so if you can focus the research on an area that is useful to your organisation's ongoing activities then there may be a possibility to use the output to inform your programming. Alternatively, try to think of a way of presenting the output of the research back to the informants that would be of value to them.

- A market in which there are examples of all stages from production to consumption within the local area will give a better opportunity to examine a complete market through the research carried out during the workshop. If it is necessary to study a market where, for example, consumers are geographically distant from production, there will be a practical challenge in interviewing actors higher up the chain. This data may need to be gathered before the workshop and given as a form of secondary data during the workshop to complete the picture.

PLANNING RESEARCH INTERVIEWS

Once you have identified an appropriate market, you will need to set up interviews with key informants. As far as possible, it is best to arrange these in advance, but participants should also be encouraged to be flexible and take advantage of opportunities that present themselves on the day and/or find alternatives if their planned interviewees are not available. The following tips may be useful at this stage:

- Use someone who is familiar with the market and its main actors to assist you in setting up interviews – it can be a very time-consuming process if you start completely from scratch. It is important that this local resource person participates in the training so that the information gathering during the interviews can be supplemented by their deeper understanding of the market.
- Try to identify informants from the full spectrum of the market chain. For example, in a fruit and vegetable market chain, informants could be:
    - farmers/primary producers
    - farmers co-operatives
    - input suppliers (such as seeds, fertiliser, etc)
    - packers/transporters
    - traders
    - hotels and restaurants
    - agricultural research organisations
    - Ministry of Agriculture
    - agricultural NGOs or extension services.
- When trying to secure their involvement, tell potential informants either that this is a training activity or that you are carrying out some basic research for your organisation. Also reassure them that any information they provide is confidential and will not be shared beyond your organisation without their prior agreement. To avoid raising expectations, it is important that participants continue to give the same message on the day of the interviews: you can ensure consistency by preparing a short script for participants to use as an introduction to their questions (see Session 7 in the facilitators' notes). Be aware that in some contexts where a significant amount of market research or other development activities have already taken place, informants may be suffering from 'interviewing fatigue' and so may require special persuasion and encouragement (sometimes in the form of financial payment) to participate.
- Aim to have at least the same number of informants as you have participants so that they can work in pairs and take it in turns to interview. If this is not possible then participants can work in threes with slightly fewer informants, but this means that they would not all have the opportunity to lead on interviews.
- Ideally participants would interview informants in their place of work. However if this presents logistical challenges then you could invite them to the training venue for the interviews.
- When thinking about the timing of the interviews, remember that some market activities often start very early in the morning. Also try not to arrive when the market activity is at its busiest, as informants may have little time to talk.
- Immediately before and after the interviews, participants work in two groups. When matching participants to informants (best done during the workshop once you are more familiar with the participants), organise pairs so that there is one participant from each of the two main groups that have been established in the sessions prior to the practical (see Session 6 in the facilitators' notes). This way, in the analysis sessions that follow, each group has the benefit of the output from all interviews.

- If you are working in two languages as far as possible you should ensure that participants are matched to informants with whom they can communicate in a common language without the help of an interpreter. If this is not possible then the next best option is to pair up foreign language-speaking participants with bilingual participants.

It may be useful to map out your interviews on a grid similar to the example below to ensure the arrangements make sense in terms of location, timing, language and covering all stakeholder roles:

Participant name	Participant language	Informant name	Informant language	Informant role	Location	Time
Fathy	English	Mr Bunareth – Licado	Khmer	NGO	Town Centre	08:00
Hannah + interpreter	English	The Manager – Lion Restaurant	Some English	Consumer	Beach	10:00
Russ	English	Mrs Yeaymab	Khmer	Wholesaler	Crab market	06:30
Reth	Bi-lingual	Mrs Pahnha	Khmer	Retailer	Crab market	06:30
Sary	Bi-lingual	Mr Chhay Ti – MFI	Khmer	Services	Town centre	09:00
David	English	Director – Ministry of Fisheries	English	Regulation	Town centre	10:00
Savin	Khmer	Mr Bonna	Khmer	Fisher	Main port	07:00
Moneyroth	Khmer	Mr Mouy	Khmer	Trader	Main port	06:00
Pheary	Khmer	Undefined	Khmer	Fisher	Small port	06:00
Sunlee	Khmer		Khmer	Fisher	Small port	06:00

LANGUAGE AND TRANSLATION

This workshop requires the use of some technical terms and a more technical analysis of market dynamics than participants may be used to. Terminology is important – and it is important to differentiate technical usage from common usage.

For example, in English the word 'market' has a number of meanings in different contexts and some parts of the workshop are written with that in mind. In the broadest terms 'market' is both:

- a complex set of economic activities
- the physical place in which those activities take place.

Market development requires us to think well beyond simply the place in which commercial activity takes place and so it is important to check that participants understand the meaning of 'market' in this broadest sense of the word.

It may also be the case that participants do not share a common language to the extent that all will be able to grasp the full meaning of the more complex concepts involved in this training. Alternatively, you may not be able to identify facilitators who meet the criteria outlined above and speak the local language sufficiently well. Either way, this means that you will have to work in two languages using an interpreter.

If so, there are a number of general considerations that you should bear in mind:

- Working through an interpreter is very time-consuming – it is likely that you will need to add on approximately one full extra day in order to fit everything in.
- The interpreter should ideally have some prior knowledge of market chain approaches, or at the very least have experience of participatory workshops. If the interpreter does not have knowledge of market chain approaches, the facilitators will need to spend some time with him/her explaining these prior to the workshop to ensure that all the terminology is clear.
- The content of the participants' workbook and the visual resources and PowerPoint slides should be translated in advance, preferably by the same interpreter to ensure consistency.

- If there are any bilingual participants who can assist with interpretation throughout the course (for example, quickly translating sticky notes and flip charts), these should be identified early on and briefed on how they can help.
- Use the introduction session to set some ground rules about speaking slowly and clearly, and not getting into side conversations in your own language while the interpretation is being performed.

In addition to these general observations, you will also see the icon on the right at various points throughout the facilitators' notes to highlight where sessions or activities are particularly challenging to undertake in two languages and suggest alternative methodologies.

ACCESSIBILITY

It is possible some of your participants will have physical, visual or hearing disabilities. You should find out about the needs of these people beforehand and be prepared to make adjustments to the training methodologies and environment to allow them to participate fully. Here are some things that you may need to think about:

- Can wheelchair users or people with mobility problems access the venue?
- Do any of the activities you have planned exclude the participation of people with physical disabilities?
- Can participant workbooks and supporting resources be made available in alternative formats? (For example, there is an audio version of the ***VSO & Secure Livelihoods 2008-13***.)
- Do you need a sign language interpreter? If so, follow the same guidance as with working in two languages above and ensure that hearing-impaired participants have sufficient time to take in all visual resources (sign language interpretation, PowerPoint slides, posters, etc).
- Do you need to contribute to childcare costs to enable the attendance of female participants?

See pages 49, 63 and 66–68 of VSO's Disability Mainstreaming Manual for more ideas on accessibility. Many of the adjustments mentioned above will require additional expenditure so don't forget to build these into your budget.

PARTICIPANT HANDOUT PACKS

For each participant you should prepare in advance a folder or ring-binder containing the following materials (see suggested handout pack listed in Part 3 of this manual and on the accompanying CD):

- Course timetable
- Participant list and biographies
- Practical details, including:
  - information on and map of the local area (if residential)
  - venue facilities
  - meal times and location
  - expenses/allowance information
  - emergency procedures and contact numbers
- Session handouts and PowerPoint slides/visuals
- Case studies
- *VSO & Secure Livelihoods 2008-13*
- *VSO Market Assessment Guidelines*
- Notebook, pen and pencil
- You may also want to make hard copies of some of the additional resources and references listed in the final section of this manual and included on the accompanying CD.

A course certificate should also be prepared for each participant to be presented to them at the end of the workshop – a template is provided on the accompanying CD.

PART 2: WORKSHOP MATERIALS

SESSION 1: WHY ARE WE ATTENDING THIS TRAINING?

Timing	60 minutes
Aim	To share participants' expectations, understanding, concerns and aspirations of the training workshop.
Rationale	The links between markets, private sector and poor people's livelihoods are not always widely understood and involvement in markets as a strategy for poverty reduction can be controversial. Before learning how market development can be used, participants need to voice their feelings about the training and understand the level of group knowledge and interest in the approach.
Objectives	By the end of the session participants will be able to: 1. Describe the range of experience and expectations in the group 2. Describe ways in which the workshop might contribute to their role in their own organisation 3. Describe what is expected in terms of participation.
Key learning points	• There is already a wide range of experience and competencies related to markets in the room • Supporting private sector initiatives is new for some NGOs • This workshop uses a practical methodology • The workshop will help participants advocate and facilitate market development activities within their own organisation
Resources required	• Sticky notes – enough for two of each colour for each participant • A local VIP to give a brief introduction (optional)
Outline	A. Welcome and introductions B. Logistical information C. Expectations of the workshop Activity 1: Collecting participants' expectations D. Objectives and agenda for workshop

SESSION 1

A. Welcome and introductions

Opening remarks and an 'official' welcome can be given by a relevant VIP. You may need to provide the VIP with a short brief on the objectives and content of the training ahead of time.

Introduce facilitators (and significant others, if appropriate). Keep this introduction brief as it helps to focus the attention as early as possible on the importance of participation by handing over to the participants in one of the following ways:

Option 1: This option is preferred because it uses an interview format. Later in the workshop, participants will develop their interview skills so there is a connection to later material. Pairs interview each other, then have two minutes to present each other on the content listed in **slide 2**.
Option 2: This option takes less time. Referring to the format suggested in **slide 2**, invite all those present (participants, all facilitators and translators) to introduce themselves.

Language and translation (as required)

It is useful to discuss language issues with the group, including:

- a discussion of formal translation arrangements if appropriate. (See Section 1 of this manual for language and translation issues)
- if appropriate, ask participants to identify any translation roles they might be able to assist with
- if time allows it may be a useful ice-breaker at this point to share some common greeting phrases in both languages and/or some key terminology words and definitions.

B. Logistical information

Give a brief practical summary about the venue and course. For example:

- Washroom locations
- Refreshments
- Significant time markers (daily start and end times, meals and tea breaks)
- Anything else specific to the venue, such as fire assembly points
- Key contact people for questions about accommodation, travel arrangements, finances, and so on.

C. Expectations of the workshop

Activity 1: Collecting participants' expectations

Step 1: Writing expectations

Give each participant four sticky notes: two yellow and two blue (the colours are not important but they should be different).

- On each yellow note, ask participants to write something they expect to LEARN.
- On each blue note, ask them to write something they expect to CONTRIBUTE.

Ask them to:

- be specific
- write only one point or idea on each note
- add their initials to each note.

Step 2: Sharing expectations

When they have finished:

- Ask one participant to read one of their expectations to the group (of either colour) and to place it on a sheet of flipchart paper on the wall. Ask for clarification if necessary.
- Ask if anyone else has an expectation that seems similar or related. Encourage three or four related expectations to be shared. These new expectations should be placed near to the first expectation.

Repeat step 2 (perhaps with an example of the other colour from a different group member).

You may need to repeat step 2 a few times until the group understands the process.

Step 3: Organising the remaining notes

When the group understands the process, they can all place their remaining expectations on the chart. At this stage, they do not need to say their expectations aloud, but you can encourage them to help each other arrange and rearrange them if there are questions about where they 'should' go.

At the end of this activity, you will have a flipchart sheet with a number of groupings of related expectations. Both colours (learning and contributions) will be mixed together within the groups.

Step 4: Naming the themes

Ask participants to suggest a 'theme' (a word or a short sentence) that describes what is in each group of sticky notes. Start by asking them to suggest a name for a grouping that looks simple, and then have them name a few other groupings.

- You don't need to push for certain wording, as long as the group feels the wording fits the grouping. Examples of group names could include 'Theory to practice' or 'Research processes' or 'Market development theory'.
- You don't need to cover all the groups (one of the facilitators completes and refines these groupings in the next activity). Instead choose a few that look easier to assign a word or phrase to.

Explain that you will return to this chart in a few minutes to show how the themes relate to the agenda and objectives of the workshop.

The finished product should end up looking something like this example from Malawi:

Example expectations chart with groupings named by participants

At an appropriate point in the following section (without interfering with the session), the second facilitator should review the expectations from Activity 1, adjust the groupings and consider whether alternative or added titles could help. This is to prepare for the 'dotmocracy' exercise (if used – see below) and the subsequent overview of the workshop objectives and agenda. Reviewing them now allows the facilitator to prepare their explanation of workshop content and flow so that the explanation refers specifically to the needs of participants and uses language that links these participant needs to the workshop material.

D. Objectives and agenda for the workshop

Setting workshop rules

Ask if there are any 'ground rules' that people feel are important for working together. These should come from the group. Examples include:

- How to ask questions
- Not talking too much
- Not using acronyms/technical words without explaining them
- Respecting opinions
- Remember the difference between fact and opinion and express each appropriately
- Anything specific to language and translation (see section A above).

It can help to write down ground rules where everyone can see them. You and the group can use them throughout the course to check how well you are doing.

Consider here whether you want to introduce any other facilitation tools to help the course proceed smoothly. For example, the following tools may be useful to keep track of unresolved issues and monitor the extent to which participants' expectations are being met.

- Parking lot/fridge: A flip chart on which participants and facilitators can note issues and questions that come up but that can't be dealt with easily at that moment and are therefore kept 'on ice' until a later point. The 'fridge' should be re-visited periodically through the course. Possible actions, depending on what is 'in the fridge' are:
    - Adapting an existing session to include a new issue
    - Creating a new session (if time allows) that addresses the new issue
    - Referring participants to other possible ways of exploring an unresolved issue.

- Stop/start/continue: A monitoring tool, mostly used as a way for facilitators to stay responsive to the groups needs. This is a flip chart divided into three sections, onto which, at the end of each day, participants can note things that they would like to stop, start or continue doing.

Participant handout packs

Give participants a brief introduction to the materials that they can find in their handout packs (see Part 3 of this manual for more details), noting that the PowerPoint slides (and therefore objectives and key learning for each session) are also included. As well as further information supporting each session, there should also be blank paper for participants to note their individual learning, issues requiring further clarification and action points.

Priorities: processing expectations

Optional: dotmocracy exercise
You could further refine the themes to get a sense of priorities using a simple prioritisation tool such as 'dotmocracy'. In this activity, each participant is given a fixed number of stickers, or pen marks (usually limited to around five per person), which they then allocate to the themes that are most important to them in this training. They may award more than one sticker or pen mark (or even all of their allocation) to a single theme if they so wish. The themes with the most stickers or pen marks next to them at the end of the activity are the ones considered to be a priority by the group and to which facilitators may decide to dedicate more time.

Review the workshop purpose (**slide 3**) and agenda (**slide 4** – an agenda with more detail and specific timings may also be included in the handout pack) with discussion about which of the themes from the expectations exercise above should appear on the agenda.

Groupings containing a mixture of different coloured notes will help to demonstrate how, during the workshop, one person's needs can be met by sharing the experience that others bring.

SUMMARY – SESSION 1

Make the following points:

- There is a wide range of useful experience in the room
- The workshop provides both theory and practical experience
- The purpose is to strengthen roles as advocates and facilitators
- Everyone will develop a very practical action plan for using the learning from this workshop in their own work.

At the end of this session and each one thereafter it is useful if you can stick up on the wall in a logical order any flipcharts produced and clearly label them with the session number. This way, participants can refer back to them in later sessions.

SESSION 2: WHY ARE MARKETS IMPORTANT TO POOR PEOPLE?

Timing	60 minutes
Aim	Understand why markets are important to poor and marginalised people but can often contribute to marginalisation and poverty.
Rationale	The livelihoods of poor and marginalised people include market relationships. The nature of those markets can both alleviate and reinforce marginalisation and poverty. Identifying issues that contribute to marginalisation and poverty is the first step to developing solutions for problems in the market.
Objectives	By the end of the session participants will be able to: 1. Give examples of the relationship between the livelihoods of poor people and markets 2. Describe a range of ways in which poor and marginalised people are excluded from markets and ways in which they participate unequally in markets 3. Discuss the factors contributing to exclusion and inequity, and identify potential solutions 4. Explain the concept of 'whole-chain thinking'.
Key learning points	• Interaction with markets is a significant aspect of livelihoods for all people • A 'market' is a basic arrangement through which people interact with each other to undertake mutually advantageous exchange. Markets operate on the principles of supply and demand • Markets can reduce poverty but can also exacerbate poverty through the exclusion or inequitable participation of poor and marginalised people • Exclusion often focuses around power and knowledge but also physical isolation due to geography and infrastructure • Problems and solutions may lie in the market chain itself and also in the enabling environment and/or with the provision of services. This 'whole chain thinking' is an important aspect of value chain development work.
Resources required	• Flip chart divided into four quadrants
Outline	A. Introduction and links B. Gathering examples from the group's experience Activity 1: What is a market? C. Organising types of exclusion into categories Activity 2: Whole group 'thought shower' D. Review and confirm main observations

SESSION 2

A. Introduction and links

Refer to relevant themes from the expectations activity in Session 1.

Firstly, establish why markets are important to development work. Use **slide 5** to explain the aim of the session and the areas to be explored.

B. Gathering examples from the group's experience

A good link into the next activity is to remind participants that the workshop is participatory and uses existing experience and understanding as the basis for learning. In the next activity, the groups answer three key questions themselves, with little input from facilitators.

Activity 1: What is a market?

Step 1: Discussion on 'markets'

Use **slide 6** to explain the task.

Break into three groups (participants can choose which group they want to be in – adjust only if necessary to have a minimum of three in a group) and assign each group one of the questions from slide 6. Each group discusses the relevant question, with one person taking notes to provide a summary to the whole group.

During the first few minutes, pay close attention to the discussion in group 1. It is important early in this discussion to establish whether the term 'market' can have different meanings. In English it can mean either a commercial activity or a location where that activity takes place. Both elements are useful products from the discussion in group 1. You may need to facilitate the conversation in group 1 to bring out this distinction.

Step 2: Pause the groups

Pause all three groups and ask someone from group 1 to explain differences in definition. Then focus the discussion of groups 2 and 3 on markets as commercial activity (rather than 'market' as a physical location). Allow another five or ten minutes of discussion. You may need to remind group 3 that poor people's involvement in markets is not only restricted to selling their produce: encourage them to think of all the ways in which poor people might engage with markets.

Step 3: Plenary discussion

Discuss the following three questions, following this model:

1. Each group summarises their discussion and conclusions
2. Facilitator uses prepared visuals to add to these comments if necessary.

Most groups will probably reach conclusions similar to what is on each slide: the slide is used to reinforce and share the learning from the group discussions.

Question 1: What is a market?

Summary of discussion by group 1.

Show **slide 7** and pick up any points not covered in the group's summary.

Slide 8 shows a simple market chain (the series of exchanges and the organisation of exchanges into a chain). It also shows, above and below the chain, that there are factors affecting a market that lie outside of the chain itself. The course looks in more detail at these external influences and supports, so there is no need for detailed discussion on those now, except for noting that most market activity operates in a context of many other issues.

Slide 8 is adapted from VSO's Secure Livelihoods Framework and is used as a visual tool later in the course. The complete version of VSO's Secure Livelihoods Framework includes aspects of VSO's livelihoods work beyond markets (for example, natural resource management) and is available in the position paper ***VSO and Secure Livelihoods 2008–2013***, which is included on the accompanying CD.

Question 2: How do markets work?

Summary of discussion by group 2

Show **slide 9** and pick up any points not covered in the group's summary.

Question 3: In what ways are poor people involved in markets?

Summary of discussion by group 3

Show **slide 10** and pick up any points not covered in the group's summary.

C. Organising types of exclusion into categories

Activity 2: Whole-group 'thought shower'

The aim of a 'thought shower' is to collect ideas from discussion. At this point, every idea should be accepted. Be careful not to judge ideas or opinions and encourage a response from all participants.

Gather ideas from the group using this question:

From your experience, what factors could contribute to excluding or limiting poor peoples' access to markets?

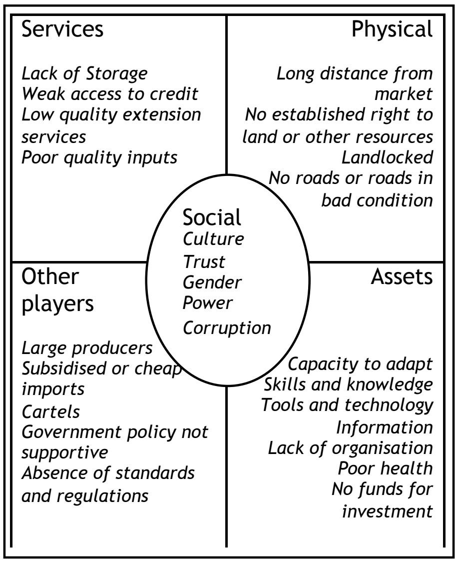
Re-phrasing this question in different ways will help the group:

- What examples of exclusion from markets have you seen?
- What causes poor people to be excluded?

Invite comments from group on the nature, scope, and types of exclusion.

Write responses in the appropriate sections of a blank flipchart, divided into quadrants as shown below. Note: headings for each quadrant should not be included at this stage, however you could write these in pencil (so that participants can't see it) to aid your memory.

When you have a few responses in each quadrant, ask participants to suggest headings for each quadrant and write these in pen on the flipchart, then encourage more ideas



Note that whatever headings are used, the division of issues under the headings is unlikely to be perfect. Some issues could be included in more than one place, and you might find it helpful to include a category called 'other'.

The headings can be added after the thought shower (this challenges the group to think as broadly as possible).

The purpose is the help the group think of the wide variety of influences on market inequality. In particular 'whole market thinking' shows why increasing production is unlikely by itself to increase access to markets.

Use **slide 11** to assist in a discussion and summary of the range of factors that might contribute to exclusion from or limited access to a market.

D. Review and confirm main observations

Slide 12 summarises the issues explored in the session. The last bullet ('Problems with markets require solutions within markets...') raises a key question for civil society and links forward to the next session:

If market problems (problems in the private sector) are contributing to poverty, and market problems require market solutions (solutions in the private sector), what role can civil society play?

SESSION 3: CIVIL SOCIETY AND MARKET DEVELOPMENT

Timing	75 minutes
Aim	Explore the possible roles of external agencies, particularly of civil society, in market development for reducing poverty.
Rationale	To avoid tension between for-profit and non-profit motivations, participants need to explore and clarify the potential role of their own organisation and others in market development.
Objectives	By the end of the session participants will have: 1. Shared examples of civil society engagement with private sector 2. Considered the advantages, disadvantages and risks 3. Identified appropriate roles for NGOs and CSOs (civil service organisations) in private sector development.
Key learning points	• The distinction between for-profit and not-for-profit sectors is not sharply defined; many civil society actors are involved in 'enterprise' activities • Direct support and subsidies to private sector organisations can discourage private sector participation, leading to dependency and low sustainability • The primary role of civil society in private sector development is facilitative
Resources required	• 'Yes/no' signs • SWOT flipcharts • Handout 1: Market development – definitions and principles • Handout 2: Private sector, development and volunteering
Outline	A. Introduction B. Issues around civil society and private sector development Activity 1: Yes/no exercise C. Principles, definition and features of market development approaches D. Strengths and weaknesses of NGOs' involvement in market development Activity 2: SWOT analysis.

PREPARATION

Activity 1: depending on which alternative you choose from the two options below, prepare two or four pieces of paper (reading either 'yes', 'yes, but', 'no' and 'no, but' or simply 'yes' and 'no') and stick these up on the wall around the room:

Choose three or four of the statements from the options below that you will use during the activity.

Activity 2: prepare four flip chart sheets, each with one of the following headings: Strengths, Weaknesses, Opportunities, Threats.

SESSION 3

A. Introduction

Introduce the aim and topics of this session using **slide 13**.

This session explores the role of civil society in supporting private sector development, particularly through markets in which poor and marginalised people are involved.

Make the link back to the previous discussion about how markets affect the livelihoods of the poor. We need to consider how civil society organisations (CSOs) can work in ways that empower poor and marginalised people to participate more beneficially in markets.

B. Issues around civil society and private sector development

Activity 1: Yes/No exercise – exploring assumptions about for profit work

This activity requires a lot of group discussion. It is easiest for participants to do it in their first language.

Alternative 1: This alternative forces participants into one of four groups, which helps the sharing of ideas. Mark four positions, one on each wall of the room:

- 'Yes'
- 'Yes, but...'
- 'No'
- 'No, but...'

Participants position themselves at one of the four points after each statement is read.

Alternative 2: This alternative uses simpler language: Mark two positions, 'Yes' and 'No', at opposite ends of the room. People position themselves at either end or somewhere on the spectrum between after each statement is read.

Step 1: Refer to the two or four cards on the wall.

Step 2: Explain that you are going to read a set of statements and that you want participants to move to the location that best represents their views on the subject.

Step 3: Read one of your chosen statements from the list below. Encourage some debate on views within the group by inviting individuals to give reasons for choosing their position. Invite people in 'opposing' positions to challenge perceptions and seek clarification of the points made while you reinforce the main messages you want to bring out of each discussion.

Suggested statements (select three or four of these that are most appropriate to your participants)	**Main messages**
People run their businesses only to make a profit.	Businesses (large and small) need to make a profit but profit is rarely their only motivation: pride, tradition, livelihood and community service are also common (and these terms are consistent with the language of CSOs). Size of profit is a possible discussion too – making a living is a different motivation to maximising profit.
All market actors (producers, traders, processors, input suppliers, etc) play an important role and should be involved in developing solutions that will benefit poor people in the market.	These actors rely on each other. Each plays an important role in bringing the product to the consumer. It may not be enough just to support the poor people in the market if the barriers to efficiency lie elsewhere.

Middlemen (or women) create low prices and inefficient markets. They exploit poor farmers and small businesses.	'Middlemen' is a term often used to describe people who add no value to a product but take a profit from it. In fact it is rare, if ever, that an actor adds no value (although it is true that some actors do take advantage of their more powerful position). Legitimate actors are often charged with being exploitative without recognition of the value-adding roles they play (such as bulking, grading, transportation or storage, as well as managing the significant risk involved in selling in the main market).
Poverty reduction can be achieved not only by intervening directly with the poor but also indirectly by working with other market players.	Poverty reduction typically requires both supporting and empowering the poor directly and indirectly by working with enterprises in other parts of the chain or through facilitating changes to the environment in which the market operates. In particular NGOs should be open to working higher up the chain with processors or retailers in order to benefit the poor market actors lower in the chain.
It is appropriate for NGOs to support the profit motives of farmers and small businesses.	Supporting profit motives may be unfamiliar territory for NGOs but small business is a significant aspect of livelihood for the poor people with whom they work. Sustainability, responsiveness and asset-based approaches in the context of improving livelihoods all point to the appropriateness of support to for-profit motives. NGOs involved in supporting small farmers or businesses need to develop a positive attitude towards the role of the private sector in economic development and be willing to engage with private sector actors in markets relevant to poor people. However NGOs should also recognise that they are not experts in how the private sector works and must be prepared to learn from private sector partners.
NGOs should not provide direct subsidised services to small farmers and businesses.	NGOs should be facilitative: building capacity, promoting awareness of service providers, strengthening relationships and supporting improvements to the enabling environment (**see slide 17** for a diagram explaining who does what in private sector development).
Creating more employment by supporting existing farmers and businesses is better than helping poor people to start up businesses.	Poverty reduction can be achieved both by supporting economic activities among the very poor as well as supporting employment in small and medium businesses. The balance of these two approaches will depend on context.

Step 4: Bring the group back together. Use **slide 14** to summarise the main messages from the statement grid above.

These principles are important in market development work. They require us to challenge some of the commonly held assumptions about market activity – assumptions held particularly in the non-profit world. As the discussion shows, these assumptions are often not true and they are often symptoms of an oversimplified understanding of market activity.

Using **slide 14**, ask if any of these principles might challenge current thinking or behaviour of the organisations represented at the workshop. (And if so, remind them of the purpose of the workshop is to help them to advocate for and facilitate the approach.)

C. Principles, definition and features of market development approaches

Explain that these principles can guide us in understanding the concept of market development. Provide the definition of market development given in **slide 15**.

Explain the main features of market development approaches using **slide 16**.

Two important clarifications:

1. 'A holistic view…'
   - Emphasise the 'whole-chain approach'. Deeply held assumptions about markets (such as those explored in the yes/no activity), personal preferences, organisational priorities, donor requirements, greed, corruption, culture and many other influences on a market can make it difficult to maintain a holistic view. But without the holistic understanding, any intervention we make is at risk of failure.
2. 'The enabling environment…'
   - This is the environment in which market activity operates
   - Rules and regulations (which may be formal or official but, if absent or weak, may include informal, unofficial and perhaps even illegal realities in which market activity takes place. (such as corruption)
   - Services are activities that support interactions and processes within the chain but that are not within the chain itself (they don't involve ownership of the product).

At this point, check for any concerns or clarifications on the meaning of market development.

Refer to the additional material in the handout if provided (see **handout 1**).

D. Strengths and weaknesses of NGOs' involvement in market development

Activity 2: SWOT analysis

In this exercise the participants carry out a (partial) Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis on the involvement of civil society organisations in market development activities.

Step 1: Explain that the purpose of the activity is to explore and highlight the main concerns and possibilities when civil society organisations engage in a market development intervention.

Step 2: Clarify a common understanding of strengths, weaknesses, opportunities and threats. Refer to the four prepared flipcharts around the room.

Step 3: Participants circulate the room, adding ideas and thoughts to each of the four flipcharts. Encourage one comment from each person on each flipchart. You may want to give a couple of examples to start people off.

Responses might include:

Strengths

- NGOs are good at giving a voice to marginalised people
- NGOs have a bigger picture view
- NGOs have more power to influence than individuals

- NGOs are typically good at facilitating change and participation
- NGOs have connections with government and service providers.

Weaknesses

- NGOs lack for-profit experience and skills
- Advocating for support to for-profit activity with donors may be a new experience
- For some NGOs, their own profit-making activity may be undermined.

Opportunities

- Because of NGOs' experience of working with poor and marginalised people, their activities are more likely be appropriate to beneficiary realities
- Sustainability of efficient for-profit activity
- Potential for identifying very specific interventions.

Threats

- Competition between NGOs and the private sector
- Challenging the existing market situation
- Lack of donor support
- Conflict between NGOs with different approaches
- Lack of mutual understanding between NGOs and private sector.

Encourage discussion and analysis, and ask participants to reflect on issues that may be particularly relevant to their operating environment – those that are important to consider when planning further action in their own setting.

The four issues given below should be included in this discussion and can be drawn out using comments noted in the SWOT:

- NGOs should not 'crowd out' potential development of private sector services by providing direct subsidised services: this is not sustainable because it is dependent on the NGO being funded for the activities involved. If funding is withdrawn, the market collapses. It is preferable to promote market-based (private sector) solutions.
- However, direct service provision by NGOs may be appropriate in some circumstances:
  - if it is not viable for a private sector firm to operate or
  - as a planned transitional step towards private sector solutions or
  - if the NGO is providing services on a commercial basis (paid-for) where the 'profits' made by the NGO are spent on social projects.
- An NGO's engagement in business may be seen by the private sector as unfair competition (for example if tax situations are different). Wherever possible, separation of enterprise activities into a formal business is recommended as both management of the enterprise and transparency of funding are likely to be improved.
- NGOs need to be careful when dealing with relationships among private sector actors (farmers, traders, producers and processors, etc) who are much more familiar with how their world works. It is always preferable to engage the targeted market players in the design of intervention programmes.

Slide 17 can be used to show the division of activities among the various players in market development work. Civil society organisations take on funding and facilitation roles that support commercial activities implemented by the service providers and enterprises in the private sector. Enterprises and service provision are both in the commercial realm.

Finally, pull together the main issues and key learning points (see above) that have been covered or emerged during this session and identify any topics that participants might want to find time to discuss further (you can place these in the 'parking lot/fridge' until a later opportunity).

VSO outlines its own approach to engagement with the private sector in a paper (see **handout 2**). Refer to this additional material in the handout if provided.

SESSION 4: HOW DOES MARKET DEVELOPMENT WORK?

Timing	150 minutes
Aim	To increase understanding of market and value chain development as an approach to improving livelihoods.
Rationale	Improving participation in, and access to, markets for poor and marginalised people through market chain approaches has become a key strategy for improving livelihoods. A facilitative role requires a good understanding of how markets work. Whole-chain thinking and staying true to principles of market and value chain development enables us to consider the most effective intervention measures.
Objectives	By the end of the session participants will have: 1. Explored the concepts of market chains and value chains 2. Discussed the principles underlying value chain development 3. Discussed the types of intervention that may result from a whole chain/value chain approach 4. Reviewed a methodology for learning about how market chains work.
Key learning points	• Traditional approaches focus on supply issues with less consideration of demand, services, institutional environments and market access • Market chains with good governance, profit shared more equally between actors, market focused collaboration and trust are more likely to benefit poor and marginalised people • Value in market chains is not fixed: it can be increased to benefit all those in the chain, particularly the poor • Problems and opportunities higher up in the chain can significantly impact on poor and marginalised people lower down the chain and vice versa • Market mapping helps to visualise how market chains work and to identify barriers and limitations to participation of poor and marginalised people • Market chains depend on support services in order to work effectively
Resources required	• Sticky notes or small cards with names of market chain actors • Flip chart with matrix to record product value share along market chain • Flip chart, cards and pens for market map • Handout 3: Value chain examples • Handout 4: Market chains, value chains and VCD
Outline	A. Introduction B. Market development, market-based solutions and market chains Activity 1: Exercise on market chains – developing a market map C. Market chains, value chains and value chain development Activity 2: Exercise on value chains D. Five steps in value chain analysis

PREPARATION

For section B, identify examples from the discussions in Session 2 that could be useful to demonstrate some of the principles covered in this session.

For Activity 1, decide which products you will use to demonstrate how market chains work. If the two products suggested here (coffee and chocolate) are not likely to be familiar to participants or appropriate in the local context, do some research to identify a local product chain (simplified if necessary) and collect information on market actors and proportion of final product value that each actor receives as follows:

Finished product: instant coffee. Local cost of jar =	
Chain actors (use terms as appropriate to local or international market)	% of retail cost
Farmer	1.7%
Local trader/exporter	3.0%
Shipper/transporter	6.0%
Processor	64.0%
Retailer	25.3%
Consumer	
Finished product: chocolate bar. Local cost of bar =	
Chain actors (use terms as appropriate to local or international market)	% of retail cost
Farmer	4.0%
Local trader/exporter	3.0%
Shipper/transporter	4.0%
Processor	57.0%
Retailer	32.0%
Consumer	
Finished product: (to be completed with locally relevant product)	
Farmer	
Consumer	

- Prepare sticky notes or small cards with the names of the main actors in the commodity market chains chosen for the activity.
- Draw a matrix on a flip chart (like the one above but with two additional columns) for each group to record the individual, negotiated and actual proportion of value that each actor receives.

SESSION 4

A. Introduction

Introduce the aims and objectives of this session using **slide 18**. The session uses a simple example of a market chain to explore some general concepts, as well as following a process for value chain analysis (VCA). The five steps of VCA are then described. These five steps are used as the basis for much of the rest of the course.

B. Market development, market-based solutions and market chains

Refer back to stories from Session 2 and particularly examples showing how supply-driven programmes or projects have failed due to lacking consideration of integration with the market or the actual demand for the product or because subsidised inputs could not be sustained.

Make the link with the previous discussion on market development approaches. Reiterate the features of a market development approach (**slide 19**) and give examples of what is meant by market-based solutions (**slide 20** and summarised in **slide 21**).

Emphasise that whichever solution/s are proposed, they should be delivered by existing actors (or new actors if none exist). **Slide 22** gives a range of possible commercial service providers.

Reiterate the facilitative role of donors, NGOs, etc, here using **slide 23**.

Emphasise that selecting one or more appropriate interventions from these possibilities first requires a clear understanding of the whole market, as well as a clear understanding of the 'target group'.

Activity 1: Exercise on market chains – developing a market map

To illustrate this whole-chain thinking, the following exercise follows a step-by-step approach:

a) Considering the whole journey of a product from primary producer to consumer

b) Considering the mechanisms and services that support the chain

c) Considering how the value of the product changes along the chain.

The exercise might also illustrate how issues within a market chain can marginalise some groups.

Step 1: Divide participants into two groups and assign each group a particular commodity or product.

Using a different product in each group will generate more ideas in the whole group but you could also have both groups working with the same product. Use locally familiar product/s or select from those suggested above.

Step 2: Give each group a set of sticky notes/small cards indicating the chain actors from primary producer to consumer. Ask the groups to think about how the product gets from being the raw product (for example, coffee or cocoa beans) on the farm to a finished product (such as a jar of coffee or bar of chocolate) on the consumer's kitchen shelf.

- Groups arrange the cards on a blank flip chart to show the flow of the product from producer to consumer.
- They should then write the function/s of the named actor on each card.

Step 3: While participants remain in their groups, explain that they have made a graphic representation of the market chain. This is a called a market map. (Theirs is a very simple one, capturing very limited information.) Inform participants of the following:

- A market map is a visual tool that can be used for analysis, planning and monitoring.
- Like any other visual tool developed in a group as a participatory activity, it facilitates shared understanding and analysis of the chain.
- When fully developed, a market map can:
  - help us to think about the whole market – no important elements are ignored
  - be used to indicate or demonstrate problems and opportunities
  - indicate possible entry points and provide a framework for developing interventions.

Inform participants that we will be developing a 'real' market map in the analysis sessions later on in the course. For now, we continue with the current exercise to show how this simple chain can be developed into a more complete market map.

Step 4: Return to the exercise and give participants ten minutes to think about other organisations that may be supporting the main actors in the chain to perform their role. Give some examples of service providers such as extension agents, banks and transporters. Ask participants to add these services to the market map on the flip chart, directly underneath the chain actor that they are supporting.

Step 5: Ask each group member to take on the role of one of the main actors in the chain. Where there are more participants than roles, participants can make pairs/small groups to represent one actor.

Step 6: Inform the groups what a consumer would pay for the item – the retail price. (If you don't know the actual cost you could use percentages; however, cash values are more 'real'). Ask participants to write down the proportion (% or cash figure) of the retail price they think the market chain actor they are representing should get. (They shouldn't confer at this stage, but bear in mind what they think might be the relative costs of their particular role in the chain.)

Step 7: For each group, draw a matrix on a flip chart with the actors in the chain down the left hand side and three columns to the right. In the first column put the initial proportions that each participant suggests for their chain actor. They are likely to add up to a lot more than the retail cost (which will be 100%).

Step 8: Now ask the chain actors in each group to negotiate for a few minutes until they can make the figures at each stage add up to the retail price (or 100%). Write these in the second column. Finally, write in the last column the actual figures given above or from your own local research.

Step 9: Ask participants for their reaction to this exercise and invite comments.

Important issues to bring out are:

- the changing ownership of the product along the chain
- the increase in value along the chain based on adding value to the product
- the role of support services in making the chain work
- the high costs of processing and the low share of farmers
- the importance of demand from the consumer for the product.

If time allows, explore the arguments people use to justify their proportion of the value.

The following aspects of market development may come out during this activity:

- Services are normally provided by players who do not own the product.
- A service provided by another actor within the chain is called an embedded service. For example, a trader providing seed to a farmer.

Step 10: Broaden the reflection. Ask the groups for any reflections on market chains in their own work or situation that occurred to them during this activity.

C. Market chains, value chains and value chain development

1. In the previous exercise we have been looking at a simplified example of a market chain, which is a chain of people, activities or enterprises – from producer to retailer – that delivers a particular product (or service) to the consumer (such as instant coffee, tomato paste, fresh beans or computers).
2. Real market chains vary in their length, complexity, coverage and organisation. **Slide 24** provides some detail. **Slide 25** shows some examples of this variety in the form of market maps.
3. In our simple exercise so far we have looked at the actors in the chain and the actors that provide services to the chain. Introduce the idea of value chains. This term is increasingly used instead of 'market chains' especially in market development, because it is more specific. (Supply chains and value chains are both market chains but value chains include the factors we need to consider when we are 'whole-chain thinking'). **Slide 26** gives definitions of 'supply chain' and 'value chain'. Explain and elaborate on the definitions of both to explain why the concept of a value chain is important.
4. We use the term value chain to emphasise the increase in value of the product as it moves along the chain. Value chains also have other characteristics that in development terms increase their potential to provide opportunities for empowering poor people in the chain and increase their share of the value. **Slide 27** gives a summary of the following characteristics:
   - Value chains focus on increasing the value of a product through improvements to quality, consistency and reliability. Increasing the value in the chain means there is more to share around.
   - Collaboration and co-operation between actors aids consistency and reliability if situations change.
   - Equitable sharing of profits along the chain means that all sections of the chain become stronger, poor people become less vulnerable and the whole chain is more sustainable. However, the chain is only as strong as its weakest link.
   - Good governance: agreements exist on quality, information sharing, support mechanisms, sanctions, systems for enforcement, etc.
5. Value chain development is the process of moving from a typical supply chain-type situation to a value chain situation. In our work, the specific focus is on empowering and improving the position of poor people in the chain. Several case studies in **handout 3** illustrate this idea using simple examples – you may wish to refer to some of them here:

- Crabs in Zanzibar
- Tangerines in Malawi
- Shrimps in Bangladesh.

6. The matrix in **slide 28** demonstrates what moving from a supply chain to a value chain might mean. Refer back to the exclusion problems identified in Session 2, Activity 2 and make links between these and the attributes of value chains to show how the exclusion issues might be addressed.
7. As a way of checking understanding and clarifying, discuss the following questions in plenary:
   - What types of intervention or activity could be involved in moving from a supply chain situation to a value chain situation?
   - Who would be involved and what role would they play?
   - How might this be different to what participant organisations currently do to support market access?
   - What short-term support might be needed from donors? From VSO? From participant organisations?

   Note the responses on a flip chart with two columns according to whether an intervention is concerned with 'Upgrading the chain' or 'Collaboration and governance'.

   Examples under 'Upgrading the chain' could be improving the quality of the product, improving the infrastructure, finding a better market, building the capacity of actors, improving support services, etc.

   Examples under 'Collaboration and governance' might be building trust and relationships between actors, improving information flows, establishing agreement on common objectives, agreements on quality standards along the chain, etc.

   Focus the discussion as below to reinforce key points:
   - Involvement of all actors
   - Solutions being delivered by market actors
   - NGOs playing facilitative roles.

8. Emphasis in development interventions is more commonly given to upgrading the chain and less on collaboration and governance (usually because a whole-chain perspective is lacking). Also application of these interventions tends to be quite fragmented, applying only one or two interventions and mostly directed only at the target group.

   Ideally, VCD programmes should deploy an effective combination of interventions to build a value chain and give emphasis to increasing the co-operation, market focus and better organisation of the chain.

   Handout 4 provides more detailed explanation of these concepts and approaches.

Activity 2: Exercise on value chains

Step 1. Participants return to their groups from Activity 1. Remind them where they had got to in mapping the market: identifying actors, their functions and the services affecting the chain. We now need to consider problems that might exist in the chain.

Each person (or pair) should reassume the role they played in Activity 1. Ask each role to identify a problem with the market from their perspective and to define it as clearly as possible. Urge participants/pairs to really think themselves into their role in the chain and come up with a realistic problem.

Remind participants that some actors may have no understanding of the chain and their problems are likely to be related directly to their own function or to their relationship with the next person up or down the chain. You may need to prompt them about the types of problems (such as production, delivery, price, quality, trust, etc).

After five minutes, check that individuals/pairs in each role have identified a problem and then give them another five minutes to consider one or more possible solutions to the problem, referring to characteristics of value chain development using **slide 28** as a reminder.

Step 2. After ten minutes, ask each person/pair to explain their problem and solution to the rest of the group, write these problems and solutions on cards and add the cards to the map in a relevant place. If there is time, allow each group to view the other groups' output.

Step 3. With one facilitator in each group, facilitate a discussion about the problems and solutions they have identified, considering which of the solutions have the most potential for VCD work – do they make the whole chain work better? Do they particularly address any exclusion issues identified by small farmers or small businesses in the chain?

Step 4. After 10–15 minutes, ask the groups to summarise their proposed joint solutions on a flip chart and present these to the rest of the participants. Reflect on this exercise using the following questions as prompts:

- What sort of problems came up? Was exclusion an issue? What else?
- Are there differences between the individual and group solutions?
- Is co-operation between chain actors required to implement solutions?
- How might that happen? Are the solutions sustainable?
- Are there any opportunities for improving the situation of the poor farmers?
- Would those opportunities require involvement of actors higher up the chain?
- Would those opportunities require involvement of service providers?
- Would any of the solutions make the market chain more like a value chain?

It is worth being explicit at this point that the discussions in this session are artificial for the purposes of understanding the principles of VCD. Participants have been asked to pretend to be market actors and so they are speaking for others. In real VCD work we do not pretend to know about the realities of other people.

Step 5. Summarise what is meant by value chain development using **slide 29**. And reinforce three aspects in which VCD interventions can impact the chain, using **slide 30**.

Point out that the value chain approach is originally a business strategy and not necessarily a poverty reduction strategy. While true VCD work will inevitably have some positive impact on poorer people in the chain, when we adopt the approach for development purposes, we must ensure that the process has an explicit and specific pro-poor or poverty reduction focus in line with the mandate of our organisation. Reinforce this by going through the underlying assumptions of pro-poor VCD in **slide 31** and **slide 32**.

More detail on these two slides is included in **handout 4**.

Slide 33 lists five core principles of pro-poor VCD. Again, there is additional information in **handout 4**.

D. Five steps to value chain analysis (VCA)

1. Market development approaches and VCD are based on a comprehensive understanding of the market. Before any interventions are designed or actions taken we need to understand both the market chain and the poor and marginalised people associated or potentially associated with it.
2. The process of learning about the market chain is called Value Chain Analysis (VCA) and this will be the main focus of our training over the rest of this course. VCA consists of a cycle of five main stages. Use **slide 34** and **slide 35** to illustrate these steps, adding the following detail.

   Slide 34 and **slide 35** are different in that **slide 34** shows a fully participatory model, **slide 35** shows a minimum level of participation. A decision on appropriate level of participation will fall somewhere between these two extremes, taking into consideration time, resources and other factors.

   a) Deciding
      - Deciding which market to work with
      - Deciding on how to collect data
      - (in later cycles) Deciding on solutions that remove constraints on market participation for small businesses and farmers and include win–win outcomes for all chain actors.

b) Data collection and research
   - The value chain analysis team collects data and information on the market chain from primary and secondary sources using a range of tools including semi-structured interviews.

c) Value chain mapping
   - Helps to organise the data collected
   - Facilitates a shared understanding of the chain (participant/actors, their functions, links and end markets)
   - Helps to identify opportunities and constraints.

d) Analysis of opportunities and constraints
   - Data is analysed using the market map to reveal:
     - constraints within the chain that limit potential in the market, particularly those that contribute to exclusion of poor/disadvantaged market actors
     - opportunities for improving the chain, particularly those that could reduce exclusion of poor/disadvantaged actors.

e) Validation of findings with stakeholders and development of future actions
   - The resulting analysis of opportunities and constraints should be validated with stakeholders
   - Action and interventions developed through a participatory multi-stakeholder process.

3. Important issues to mention when discussing these models:
   - In the process of developing a value chain development intervention you may go through more than one cycle of these steps (for example, once for deciding which market to focus on, once for the main research on the market chain to get a full understanding and maybe once to enable any proposed strategies where more analysis is required. The depth of research would be different each time).

     The arrow between deciding and validation/action indicates the importance of validating decisions with stakeholders as the analysis proceeds to ensure accuracy of the analysis and enhance potential ownership of any future interventions by stakeholders.

     The whole process can be carried out together with stakeholders (this is a participatory value chain approach) or the process can be carried out by a research team with stakeholders engaged in the process of validation and strategy development (the approach we will focus on in this training).
     - Involving stakeholders in the research process is more participatory, but it can raise expectations among stakeholders. There needs to be a commitment from the facilitating agency to continue with the process right through to implementation.
     - Market mapping (the visualisation of the market chain) and analysis of constraints and opportunities are closely linked, both being analysis activities.
     - This cycle of activities is a model to guide VCD work. The steps are rarely so discreet (for example, while you are collecting data you are already beginning to analyse it, when you are validating with stakeholders you will probably also collect more data). Different steps can happen simultaneously.

4. Much of the rest of the course follows this cycle of activities in as realistic a way as possible using a local market (briefly describe the focus market at this point). Case studies of other markets are also used to illustrate broader principles.

Ask participants if they have any questions or clarifications about the VCA process.

Handout 4 provides more background to these approaches. Refer to this additional material in the handout if provided.

SESSION 5: DECIDING WHICH MARKET TO WORK WITH

Timing	60 minutes
Aim	Understand the main issues and actions to consider when initiating a market development intervention.
Rationale	Based on a thorough understanding of the market and the situation of poor and marginalised people associated with it, participants need to be able to help stakeholders decide when a market development intervention might be appropriate and which market(s) would be most suitable for research and action.
Objectives	By the end of the session participants will have: 1. Shared experiences on market development/market interventions in their own situation 2. Considered how market development ideas emerge and the factors affecting the choice of market or sub-sector for research and action 3. Developed criteria that could be used in decision-making for pro-poor market development.
Key learning points	• Market development ideas can emerge from individuals or from the top, middle or bottom of any organisation associated with a chain • We must clearly understand the livelihoods and aspirations of those we expect to benefit • Decisions on the choice of market should be based on sound criteria, which may be related to the target group, to competitiveness or to the enabling environment. These criteria will also need to reflect the mandate of the development agency.
Resources required	• Sufficient copies of participant case studies (if submitted in advance) • Sufficient copies of Group Scenarios document (on the accompanying CD) • Flipchart with matrix for ranking exercise • Handout 5: Livelihoods analysis questions • Handout 6: Selecting a market
Outline	A. Introduction B. Review the cycle of VCA and purpose of the decision phase Activity 1: Sharing participants' experiences Activity 2: Preparing for market development activities: gathering information on potential markets for analysis Activity 3: Preparing for market development activities: developing criteria for market selection Activity 4: Preparing for market development activities: optional decision-making exercise

PREPARATION

For **Activity 1**, prior to the training course, participants should have sent in short case studies that can be used for discussion in this exercise. (See the section on case studies in part 1 of this manual and the case study preparation letter on the accompanying CD). If case studies were not gathered, you can simply ask participants to tell stories from memory and provide them with points from the case studies section as a guide. If case studies were prepared in advance, make sufficient copies of these case studies for distributing to each group.

For **Activity 2**, make sufficient copies of the three group scenarios or alternatively prepare flip charts for each group with the relevant information. The scenarios may be changed according to the local context as desired.

If using the optional **Activity 4**, make sufficient copies of the market information and prepare a matrix for the ranking activity on a flip chart.

SESSION 5

A. Introduction

Introduce the aims and objectives of this session using **slide 36**. Explain that this session will focus on the process that leads to effective market development interventions. This process includes the thinking and decision-making that need to be undertaken before the main market research activity takes place.

B. Review the cycle of VCA and purpose of the decision phase

Make the link with the previous discussion by indicating where in the cycle of VCA this activity occurs (you can refer back to **slide 35**). Outline the key steps in making a decision about which market to work on (as in **slide 37**) and relate it to the cyclical nature of VCA.

Remind participants that our aim in VCD is positive and sustainable change for small farmers, businesses or unemployed people. Therefore it is critical that their situation, needs and aspirations (especially related to their livelihood) should be taken into account in the decision-making process. We cannot move forward if we consider only economic and organisational issues.

Activity 1: Sharing participants' experiences

Step 1: Explain that all participants are here because VCA and VCD could be useful tools for programme development in their own organisation. We want to start this session by looking at examples from participants of market-related interventions. Specifically we want to examine how they came about and the decision-making processes involved.

Step 2: Divide the participants into two or more groups. In each group, one participant presents a case study on a successful or unsuccessful market intervention.

(As discussed in the preparation section above, you can either use case studies that were submitted by participants prior to the training, or give participants a few minutes to come up with examples to share.)

The group then discusses the case study focusing on the questions in **slide 38**.

If time allows, the participants can share and discuss more than one example – either prepared or from memory.

Step 3: Bring the groups back to a plenary for a reflection on what they learned in the exercise. Explore each of the questions in turn and try to draw out the following points:

- A common aim of market development interventions is to improve incomes through:
  - more or better access to a market or
  - alternative opportunities for making a living.
- Emergence of ideas for VCD work can be:
  - 'Bottom-up' – when working with communities, especially in reaction to market failures such as excessive power of one actor, lack of information, lack of property rights, high transaction costs, etc
  - 'Top-down' – from programming initiatives of government or development agencies (VSO's VCD work falls in this category)
  - 'Middle-out' – from other actors in, or associated with, the chain.
- Sometimes the choice of market (or sub-sector) is already made (for example, where farmers/ businesses want low-risk strategies to focus on improving what they are already doing). This might make sense as a first step. However, even in this situation there may be a choice to be made about which market segment to aim for (for example, local or export, processed or fresh.
- For higher-risk strategies (such as considering new products or crops) there may be a long list of potential markets – clear process is needed for deciding which market/s to research in depth.
- Choosing between markets requires research about the potential markets and also about the target group.

- Whoever or whatever is driving change, if it is to be sustainable all market actors involved must ultimately 'own' the process and intervention and take responsibility for making it work.

Activity 2: Preparing for market development activities: gathering information on potential markets for analysis

Step 1: Make a link with some of the examples discussed in the previous exercise. Explain that next we are going to think about the first stage of VCA/VCD, which is deciding what we are going to focus on – which target groups, which markets?

Step 2: Outline the two or three scenarios below and ask participants to join the group that is most applicable to their situation or of most interest to them. There may need to be some adjustment of groups to ensure that they each have between four and six participants.

> **Scenario 1:**
> VSO staff planning to extend their livelihoods programme to a new region of the country.
>
> **Scenario 2:**
> An association of small farmers requesting assistance to diversify their production.
>
> **Scenario 3:**
> An NGO working on alternative livelihoods with communities in a seriously degraded coastal area.

Step 3: Each group is provided with a short paragraph summarising the situation of their group and the questions to be answered in the group exercise. (See Group Scenarios document on the accompanying CD.)

Step 4: Bring the groups back together after ten minutes and invite them to feed back answers in a plenary discussion. Ask for contributions from each group and write suggestions about what we need to know on a flip chart. Try to draw out the issues listed in **slide 39** and then display the visual as a summary.

Step 5: Ask the participants: if we don't already know these things how can we find out? Answers may include:

- Initial research to gather enough information to select the market(s) to work on. Reiterate the five-step cyclical nature of research and analysis in VCD. This research could include:
  - secondary data such as reports, studies
  - talking to key informants such as experts in the product, other agencies working on the product or government representatives.
- Community-level research such as Participatory Rural Appraisal or livelihoods analysis may be necessary if the target group is 'new' to an organisation or relatively 'unknown' in existing research. The livelihoods analysis questions provided in **handout 5** may be useful for this purpose.

Activity 3: Preparation for market development activities: developing criteria for market selection

We also need to establish how to make a decision between options for detailed market research. We develop criteria that define the important standards against which we will evaluate each possible market. The following points may help when thinking about this:

- Criteria should be in line with the aims and objectives of your organisation and/or your programme.
- Criteria depend on the perspective of the organisation developing them – (for example, market actors may select primarily on the basis of market issues, while development agencies may select on additional priorities such as gender equality or environmental conservation.
- Most development agencies will have some combination of both market-oriented and development-oriented priorities and will have to balance the trade-offs involved in making selections (for example, one sub-sector might have the greatest number of poor people but low prospects for growth, while another might have a high rate of growth but low participation of women).

- Demand for the product should be one of the most important factors in developing criteria – there should be a good (and preferably unmet) demand for the product or potential for growth in demand.

Step 1: Ask the participants for one or two examples of criteria that they would select to make sure the concept is understood. Ask the groups to reconvene and undertake the following task:

- Develop at least four criteria for deciding which market(s) to select for detailed research and action for their particular scenario
- Place the criteria in order of importance.

Ask the groups to prepare a flip chart on their output. After 20 minutes ask the groups to select a presenter and briefly present their findings.

Step 2: Together with participants clarify the output from each group and then discuss. Ask groups to explain their order of priority for the criteria.

Slide 40 and **slide 41** provide some examples of criteria that may or may not have been suggested by participants in the previous activity.

Ranking and scoring activities are useful when using criteria in a participatory way to prioritise markets of interest. However **slide 42** lists other factors that need to be considered.

Step 3: If there is time and interest, a decision-making exercise is described below. If not, simply ask participants for comments on criteria as they might apply to their work context:

- What are important criteria for organisations like ours/your organisation?
- What would be important criteria for poor people involved in the markets?
- How and when might you use criteria for your current or planned work?

Refer participants to **handout 6** for more information on market selection.

Activity 4: Preparing for market development activities: optional decision-making exercise

The following exercise can be used where participants are interested and have time to look further into the practical use of criteria in decision-making. Depending on the time or level of competence of participants with ranking tools, work through this example together with the participants in a plenary or use the example as a group exercise.

Step 1: Explain that we are only in a position to make a decision when we have all of the following:

- a group of markets for consideration
- the criteria for selecting them
- sufficient information on those markets.

Step 2: Ask participants how such decisions might be made, who should be involved and what process you might use. Try to draw out the following:

- Importance of engaging experts and stakeholders in decision-making
- The process should be as participatory as possible and involve the target group
- There are tools such as SWOT, ranking and other matrix-based tools that can help in decision-making.

Step 3: Re-emphasise that there are many tools that can be used to help decision-making. We are going to explore the use of the ranking tool in a very simple case (information available to participants in **handout 6**). A development agency has a programme in country X working on enterprise development in rural areas. Based on the organisation's strategic focus on economic development and issues of rural poverty the following selection criteria were identified and prioritised:

1. Unmet market demand
2. Potential increase in rural incomes
3. Potential for employment generation
4. Government or donor interest or existing socio-economic support programmes.

Step 4: The organisation reviewed existing data and reports from government agencies, interviewed several development organisations in the country, held a workshop and made a shortlist. On this basis the following three sub-sectors were identified for consideration:

- Green beans
- Dairy (milk)
- Handicrafts.

Step 5: The organisation decided to make the final decision, using a ranking process, in a workshop with key experts and key stakeholders from the target area.

As a first step a 'weight' was applied to each criterion according to its importance. When the criteria are scored by the workshop participants, the score will be multiplied by the 'weight' factor. This process makes the final scoring of each criterion more meaningful. In this case the workshop participants agreed to weight the criteria as follows:

- Unmet market demand (extremely important) x3
- Potential increase in rural incomes (very important) x2
- Potential for employment generation (important) x2
- Government or donor interest/existing socio-economic support programmes (important) x1

Step 6: Refer participants to the summary of the information on the three markets in **handout 6** and ask them to read it for five minutes.

Step 7: While participants are reading this information, prepare a matrix for the ranking activity with one column for criteria and one column for each market like the one below.

Criteria	**Proposed market/sub-sector**		
	Green beans for export	Dairy (milk)	Handicraft
Unmet market demand (weighted x3)			
Potential increase in rural incomes (x2)			
Potential for employment generation (x1)			
Government or donor interest/existing socio-economic support programmes			
Total weighted score			

Step 8: Facilitate the scoring of the each market in turn using a 1–5 score, with 1 being low demand/potential/interest and 5 being high demand/potential/interest. Try to get a consensus score for each criterion (facilitation can also be handed over to participants familiar with the process).

Step 9: Using the scoring results, agree which sub-sector the organisation should take forward for further research.

Summary

In order to identify possible markets or sub-sectors to work on, we need:

- A good understanding of the situation of the target group
- A basic understanding of the potential markets to explore
- Sound criteria to guide our decision-making on which market to select, that reflect the priorities of the implementing organisation. (Evidence of strong market demand for the product should always be included as one of the criteria).

In Session 6, we will look at how to prepare to carry out market research on the product selected.

SESSION 6: MARKET RESEARCH – WHAT TO FIND OUT AND WHO TO ASK

Timing	90 minutes
Aim	To increase participants' understanding of how the information needed for a value/market chain analysis is gathered and put together. Increase participants' understanding of how to prepare data collection tools for a market research activity or market assessment.
Rationale	A value chain analysis is based on sound information collected from reliable sources. Data quality and reliability depends on good planning. Participants must be able to identify the information needs for a market study, where it can be found, how it will be collected and who will collect it.
Objectives	By the end of the session participants will have: 1. Discussed capacity and resource requirements for value chain research 2. Considered the information required to understand the case study market chain 3. Validated proposed information using VSO's Secure Livelihoods Framework 4. Identified possible sources of information, including chain actors to be interviewed.
Key learning points	• A value chain analysis activity requires significant resources, both human and financial, and these need to be carefully planned • Resources and approach should match the scale of the research • Building a strong, skilled team is important • We need to collect information about the chain, about the service and institutional environment and about trends in the market.
Resources required	• Brief statement on the market to be used for the practice exercise • Cards of various colours • Marker pens in various colours • Large copies of adapted VSO Secure Livelihoods Framework • Handout 5: Livelihoods analysis questions • Handout 7: Research capacity • Handout 8: Calculating gross margins • Handout 9: Informant advantages and disadvantages
Outline	A. Introduction Activity 1: Thinking about the resources needed for value chain research B. What information to collect – formulating research questions Activity 2: What do we need to know? C. Sources of information Activity 3: Identifying information sources D. Other stakeholders

PREPARATION

During the following sessions, participants work in groups to ensure a high level of involvement of all participants. Each group works with the same information to create a map of the same market. The size of the groups depends on the total number of participants and the number of informants to be interviewed – groups of six to ten people typically work well. Although it is only after the interviewing that it becomes important, include one person from each interview pair in each group at this stage (after the interviews, this ensures that all informants are represented in each group). Establishing these groups in this session means you need to be careful that the research questions developed in Section B below are similar or identical. See the section on Planning Research Interviews in Part 1 of this manual for more information.

Produce large copies of the Secure Livelihoods Framework (each copy on one or even two flip charts – enough copies for one per group).

Prepare a brief description of the market that is to be used for the practical exercise.

SESSION 6

A. Introduction

1. **Slide 43** gives an outline of the aim and themes of the session. In this session we are preparing for the field research component of the course. We will think about the process of preparing for a value chain research activity, what we need to find out during the research and what sources of information we will use.
2. Make the link with the previous session by indicating where in the cycle of VCA this activity occurs (**slide 44** is a copy of the same slide from the previous session). Having decided on the market to work with we must now find out relevant information about it. In order to get the information we need, the research activity requires careful planning and adequate resources to ensure that:
   - our research is answering the right question/s
   - the data we gather is reliable.

This session outlines a process that helps to meet both those aims.

Activity 1: Thinking about the resources needed for value chain research

Before moving on to think about what information we need to collect, take a few minutes to think about the skills and resources needed to carry out a value chain research. Value chain research may be carried out by teams of anything from 2 to 25 people depending on the size of the task, the amount of time and financial resources available.

Ask participants to discuss in pairs about what skills and knowledge a research team might need. (Or alternatively just gather suggestions in plenary.) Ask for contributions from participants one by one and write up on the flip chart. Draw out some of the main points and refer to **handout 7** for more information.

Depending on the nature of the workshop, it may be relevant to describe typical characteristics of VSO market assessments using **slide 45**. This information is taken from VSO's Market Assessment Guidelines, which are included on the CD accompanying this manual.

B. What information to collect – formulating research questions

Before starting a more detailed research phase, we need to identify the specific information required to help us understand the market chain and identify possible opportunities for improving the situation of poor farmers and small businesses, etc.

We will be guided by the objectives or aims of our organisation, but we need a more detailed and specific objective for our research. This could be an objective related only to the research activity or it could be a preliminary objective relating to the project you hope to develop. It can be helpful to formulate an objective in the form of a research question. Examples are given in **slide 46.**

Question 3 in this visual is the simplest model and may be the most useful of the three.

- It focuses the research on understanding the existing barriers in the market chain.
- It requires us to gain an understanding of the whole chain.

The first two may be acceptable too – but there is a risk that the research team jumps too quickly to solutions and improvements before sufficiently understanding the existing chain. The point to make here is that careful crafting of the research question is a critical part of the research.

Activity 2: What do we need to know?

Step 1. Divide the participants into the pre-arranged groups (see preparation section above) and provide each group with a brief statement about the market that you will be using for the practical work.

Step 2. Ask the groups to read the short summary and then prepare a research question, using **slide 46** as a reference.

Before each group moves to the next step, ensure their research question is appropriate. Have each group write their final research question on a large card. Interviewing pairs will include representatives from each group so it is important that the research questions are very similar. You may even decide to develop a single research question from the groups' suggestions to avoid complications later on.

Step 3. Each group should now discuss the question: 'What do we need to find out about this market chain?' The group should write each idea on a separate smaller card.

To help groups get started, give some tips. The prompting questions in **slide 47** are worded very generally. They can be used to prompt participants to develop specific questions about the chain in question. For example, 'What happens to the product and when?' could generate a question like 'What happens to the shrimps after they are caught?' or 'How do the mangoes get from the village to the market?'

The example questions in **handout 5**, referred to in the previous session, may help the groups to focus, among other things, on the importance of finding out about existing livelihoods of a target group.

The result of this activity will be a series of cards, each with a 'topic' that the research will need to elaborate on. The cards will include specific topics (for example, 'Cropping techniques', 'Fertiliser', 'Transportation' or 'Quotas') and non-specific things (for example, 'Environment', 'Government policy', 'Corruption'). Don't worry too much about that at this stage – the next stage will reveal where more detail is needed.

One facilitator should stay with each group to help with ideas and to guide. Make sure that each topic is being written on a card. This should take about 20 minutes. During that time as appropriate, provide guidance as follows:

- Help each group to check that they are staying true to their research question
- Make sure they include questions about any trends in the market and what is causing them
- Emphasise the importance of discovering the constraints and possible opportunities
- Explore relationships, horizontal links, information flows and embedded support
- Include some focus on exploring demand for the product – nature and extent
- Some data will be quantitative, some will be qualitative.

Step 4. Stop the group briefly to provide an explanation about quantitative data, in particular gross margin calculations, using **slide 49**.

It is often helpful to get an idea of the profitability at each level of the chain as this may indicate where efficiency could be improved, where potential sources of investment within the chain lie or where very low profitability presents a constraint, risk or opportunity in respect of any planned changes.

A **gross margin** is a useful indicator of the profitability at each level of the chain. It requires minimum information and is easily calculated from information about volume of sales, price and costs. During research, getting information about sales and prices is relatively easy but accurate information on direct costs can be more difficult. More information on gross margin calculations can be found in **handout 8**.

Step 5. After 20 minutes, explain that in order to help us make sure we haven't missed anything and to think about the next step, each group will try to plot their suggestions on to the adapted version of VSO's Secure Livelihoods Framework (first displayed in Session 2 and repeated in **slide 48** – you will need a large copy of this for each group placed on the wall of the workshop room). Participants in each group work together, reading out each card and placing it on to the framework at an appropriate place along the chain or in the access to services or institutional environment sections of the framework. If the card does not fit in easily to any one place on the framework, put it aside for later discussion. Ask for comments, clarifications and agreement.

Step 6. When all cards are on the framework, give the two groups a few minutes to review each other's work. Note that this will not be complete – a real analysis would take longer than half an hour. (It is sufficient if each group has covered a range of issues from the list in **slide 49**). Use the following prompts and questions as appropriate to the whole group to validate, clarify and explore ideas.

- Is any clarification needed? (Ask groups to respond to each other's questions.)
- Are there any questions or issues that stand out from the other group's work?
- Do you want to add any questions to yours now?

Step 7. Use the Secure Livelihoods Framework and the checklist provided in **slide 50** to ensure the most important areas of research are covered and to prompt participants to discuss and reflect on the exercise.

C. Sources of information

Explain to participants that now we know what we want to find out in this research activity, the next step is to think about where we will get the information from.

Activity 3: Identifying information sources

Step 1. Ask the groups to look at each of the cards they have placed on their framework. For each one, consider possible sources of the information and write these on the card using a different coloured pen. The sources could be:

- People inside the chain – farmers, processors or retailers
- People outside the chain – extension workers, lawmakers, representatives of government departments or NGOs
- Secondary sources, such as statistics, reports and websites.

Step 2. After 20 minutes, provide five minutes for each group to view each other's framework. Participants and facilitators can add comments or suggestions on each of the flip charts. Highlight to participants that further information on the advantages and disadvantages of different market chain actors as research informants is available in **handout 9**.

Step 3. Include some discussion here on secondary research (consulting existing data from previous research, the internet, government statistics, etc). The focus of this workshop is on the primary research – interviewing actors in and around the chain. In this activity, the summary information you prepared about the market is a form of secondary data, but a research team would not usually be given data specifically to support the information gathering. Usually the research team will have to find all the data themselves, either from secondary data or informants.

D. Other stakeholders

It is important to consider all stakeholders because we want a good understanding of the whole chain. Some groups may be more familiar with concepts of 'stakeholder'.

A stakeholder can be defined as a person or organisation that affects or is affected by an issue.

In market chains, stakeholders mostly lie within the chain itself or within either the institutional or service environment. Many of these will have been identified in the previous activity as sources of information. However, there may be stakeholders (using the above definition) who are not so easily identifiable. This is especially true if the research team is composed of 'outsiders'. (This is one of the reasons why the team should include people with deep local knowledge wherever possible.)

Examples could be a neighbouring community, farmers' families or landowners.

These stakeholders are sometimes referred to as 'invisible' since their connection with an issue (in this case a market) is less obvious. They may not be easy to identify in the early stages of research but it is important that researchers stay aware throughout the research process that 'new' stakeholders can become apparent.

These may then need to be included in the research in order to get a whole picture of the chain. There are practical limits to any list of stakeholders and not all stakeholder groups need to be interviewed; decisions do have to be made about how much energy would be spent against the value of the information gathered.

We explore how to use a tool for stakeholder analysis in a later session.

Use **slide 51** to summarise the main steps we have followed so far in this session.

SESSION 7: MARKET RESEARCH – PROCESSES AND TOOLS

Timing	225 minutes
Aim	Prepare data collection tools for market research.
Rationale	A successful market assessment depends on careful planning and effective data collection. Participants need to gain experience in the preparation of interview checklists and practice interviews that will be used to gather information.
Objectives	By the end of the session participants will have: 1. Identified potential research tools and discussed when they should be used 2. Prepared checklists/questions for use with market chain actors. 3. Validated the tools with fellow participants 4. Practiced semi-structured interviewing techniques.
Key learning points	• Adequate preparation for field data collection is important and time consuming • A number of research tools can be employed in value chain research but it is important to match the right tool to the right activity and/or stage of the research process. • The semi-structured interview is a powerful tool for probing and revealing new ideas and information.
Resources required	• Flipchart giving details of who is interviewing whom, when and where • Handout 10: Data collection tools • Handout 11: Recoup interview guide
Outline	A. Introduction B. Data collection techniques C. The semi-structured interview (SSI) and interviewing skills Activity 1: Preparation for practical interviewing Activity 2: Interviewing excercise.

PREPARATION

Participants will need to know exactly whom they will be interviewing during the practical research. You may want to produce a large version of the completed chart shown in the Planning Research Interviews section in Part 1 of this manual and display this on the wall of the meeting room.

You should also have prepared the opening statements that you want participants to use in their interviews with market actors. For example: 'We are working with VSO, an international NGO that works for development through volunteers. We are carrying out some basic research on fisheries in Cambodia and how they operate. Any information you give to us is confidential and will not be passed on to any other organisation.'

SESSION 7

A. Introduction

1. Introduce the aims and themes of the rest of this session using **slide 52**. Explain that we will discuss how to collect the information that we decided we needed in the last session. The quality of the information gathered depends on:
   1. Asking the right people
   2. Asking the right questions
   3. Asking in the right way.

2. This session focuses on the second and third of these by providing both theory and practice to create the best possible chance of producing high-quality results. The practice prepares for the real-life practical data collection that follows. Remind participants that in the last session we identified the different information needs and proposed sources for that information (refer directly to the flip charts).

B. Data collection techniques

Ask the participants to discuss with a partner for five minutes and think about how we might collect this information – what techniques and tools might we use?

Ask participants to provide their suggestions about tools and techniques one by one. For each one, clarify the meaning and improve the wording if necessary. Ask the participant to write their contribution on a card and place on the flip chart, ask others for comments and ask for an example of when you might use it. Carry on until all suggestions are on the flip chart.

If any of the following tools and techniques is still missing, add them in at the end:
- Secondary data research
- Semi-structured interviews
- Market observation
- Focus groups
- Stakeholder analysis
- Stakeholder meetings.

Challenge groups to consider which of the tools might be appropriate for different research purposes. Ask for suggestions of which tool might work for each of the following purposes (possible answers are given below but note that there are no hard and fast rules – as with all participatory processes, how the tool is designed, used and facilitated will all affect the appropriateness of its use):
- Gaining an overview (secondary data research, market observation)
- Getting detailed information (interviews – could also be designed for gaining an overview by using different questions)
- Exploring new ideas, triangulating information (focus groups)
- Exploring action or planning change (stakeholder meetings)
- Deciding who to talk to (stakeholder analysis: note that stakeholder analysis can be used in different ways at different stages of a project, but as a research tool it is most appropriate in identifying and increasing understanding of stakeholders).

Also ask participants at which stage of a research process each tool might best be used:
- Tools for getting an overview of the situation may be more useful during the earlier deciding phase or in the preliminary stages of research
- Tools for exploring action or change may be more useful at the end
- Secondary data research is most appropriate at the start of a research process to provide an overview of the situation, but is also useful if new issues emerge through the process.

The information is summarised for participants in **slide 53**, **slide 54** and **slide 55**.

Other points to make:
- **Cultural issues** may have some influence on choice of tools (for example, gender issues or power relations may mean some people feel more comfortable with a group-based activity)
- If there is **serious conflict or lack of trust** between certain stakeholders, one-to-one interviews may be more appropriate, especially in the early stages of research
- If you are well informed by secondary data, the people you interview later will give you a better reception and you will have more time to get detailed information
- Group tools or techniques are good for introducing new ideas and for engaging stakeholders in identifying problems and developing solutions – these tools work better when the facilitator understands the basics of the group's situation.

Wrap up the discussion by summarising the main tools and when they might be most useful. The most time-consuming tools, and those that require the highest level of skill to be successful, are the ones we focus on next. More information on a range of tools is included in **handout 10**.

C. The semi-structured interview (SSI) and interviewing skills

1. Interviewing is the most used tool in any value chain research activity so the workshop focuses heavily on this tool. Participants will prepare for and carry out semi-structured interviews with real market actors in the field.

   Information on other tools is provided in the handouts and on the accompanying CD.

   Designed carefully and used skilfully, the SSI generates high-quality data for the market assessment. When used well, it is both informal and participatory (enabling people to talk about what is important to them) and formal (enabling you to capture concrete data for your research).

   Semi-structured interviewing is still only a tool. It is the carpenter that makes furniture, not the hammer! We look first at some theory, then prepare our interview, then practice it on each other before we head to the field to use it for real.

2. Give an overview of the SSI tool and process using **slide 56**. Emphasise the following points:
   - Focus is on developing rapport, creating a relaxed environment, explaining questions adequately, being an active listener and remaining open to new perspectives without losing sight of the research question
   - During the practice interviews here and, more often than not also during real life research, an observer will be present as well. The role of this person is to keep time, record the discussion, and add questions or comments when necessary to keep the discussion on track
   - The interviewer and observer must be able to communicate comfortably and effectively with respondents, particularly if there are socio-economic issues affecting status, or language issues. Together the interviewer and observer organise and synthesise the resulting information.

   Ask the participants what skills they think are important for the interviewer to have. Write their suggestions up on the flip chart and discuss – which are the most important? Skills could include the following:
   - Ability to converse fluently in the local language
   - Strong skills in communicating with all types of people
   - Ability to establish rapport with the interviewee
   - Ability to effectively explain the purpose of interviews
   - Skills in eliciting information using questioning and probing strategies
   - Active listening capacity
   - Understanding of how the information will be used so that effective follow-up questions can be formulated during the interview
   - Ability to keep the interview on track but also allow for uncovering unexpected information
   - Proficiency in documenting findings and learning.

   The most important skills for interviewing are active listening and using probing strategies.

Active listening

1. Before we make a practical start on preparing for the SSI, it may be useful to think about communicating in general and how we listen in particular.
2. Four factors affect our communication with others. Use **slide 57** to review these and ask for observations and thoughts about what they mean to a skilled interviewer.
   - We are always communicating – when you are near to someone you begin influencing each other, even ignoring each other has meaning!
   - People communicate with words and without words – emotions are often expressed through body language. If there is conflict between the body language and the words it can lead to misunderstandings.

- We hear what we want to hear – or what we imagine we are hearing. People's expectations, interests and needs differ. My understanding is not necessarily the same as your understanding. Also we are rarely able to express all of our understanding in words, even if there is time.
- Understanding is influenced by our relationship – the meaning of the message is influenced by the relationship between the parties involved and by the environment in which the conversation takes place.

3. You may be able to draw the group's contributions together into some practical advice for interviewers, (which will include some or all of the elements of active listening. Either way, **slide 58** and **slide 59** can be used to help explain active listening.

Activity 1: Preparation for practical interviewing

Explain that we are now going to start preparing for the interviews tomorrow. We need to think about what questions and issues we want to discuss with the different informants and prepare an interview guide. Remind participants that an SSI is not just a list of prepared questions. We use headings or broad questions as a basis for further probing based on the interviewees' responses.

Step 1. Start by returning to the frameworks developed in Session 6 and specifically to the cards referring to information needed and potential sources. A first step in developing the checklist for our semi-structured interview is to organise the information we need from each informant, using the ideas on the cards.

Participants should now start working in the small groups in which they will be interviewing informants. You will need to refer to the interview schedule that you prepared earlier so that participant pairs know who they are to interview.

Step 2. Topic list

Interviewing pairs/groups consult the cards (using market maps from all groups), and prepare a topic list on a separate piece of paper for each of the informants they will be interviewing.

This list may contain general topics and more detailed information. Help the groups to identify main topics and organise detailed information under the correct heading. This forms a basic guide to developing the content and structure of the semi-structured interview, but more detail will be needed to complete it.

Step 3. Getting specific

To complete a checklist for each semi-structured interview, the interview teams need to adjust the topic list and add detail to make it specific to the informant. Illustrate an example of adjusting and adding, perhaps developing a topic from one of the interview groups, or use the example below for a retailer in a fisheries market chain:

Topic as noted on card	Possible adjusted and expanded topic
Consumer demands	Who buys?
	Where does the buying happen?
	How does a typical sale happen?
	Niche markets?
	Volume
	Prices
	Packaging and placement
	Varieties and favourites
	Trends/changes
	Seasonal variation

Remind groups that the checklist will be used as a prompt during the semi-structured interview (not as a script) – so simple words and phrases as in the example above are sufficient.

Step 4. Completing the checklist

Interview groups now develop the full checklist by:

- Adjusting and expanding topics in their topic list
- Adding new topics if necessary
- Structuring the conversation – when pairs are getting close to completing their checklist, ask them to consider some structural elements for their interview/s (since the pairs will have been working independently for some time you may prefer to do this with each pair rather than moving the whole group on at the same time). **Slide 60** suggests a possible structure.

The trainer(s) and any suitably experienced participants should visit the groups or pairs as they work and provide them with guidance and support. When they have completed the task, provide a poster opportunity for each group to review and comment on the others' work.

Step 5. Checking

The final task in preparation for the interview is to test the guide with someone else for completeness, sense and structure. Depending on time, there are a number of ways to do this:

- Have participant pairs exchange their checklists for review, comment and learning
- Go straight into Activity 2 below so that one pair interviews another pair, allowing for some time for interviewees to feed back on the structure and content of the checklist and on the questioning
- Ask each pair to choose a topic they have found difficult and invite comments from others
- Choose some of the best questions or topic coverage that you have seen during the preparation time and ask those pairs to share their work.

Explain that since the field interviews will be a training activity and not part of a genuine research activity, we need to think about what we will say to informants at the beginning and end of the interview. Provide participants with your pre-prepared instructions about what they should tell informants about the purpose of the interview and what will happen to the information they provide. The actual instructions will depend on local arrangements.

More information on semi-structured interviews can be found on page 148 of the VSO publication, *Participatory Approaches: A Facilitators' Guide* (see reference section on Part 4 of this manual for more details), which is provided as an additional resource on the accompanying CD.

Formulating questions

The checklists now serve as a prompt to make sure we cover the necessary ground during the interview. The checklist provides the structure in a semi-structured interview. What makes it a semi-structured interview is the conversation that happens based on the checklist develops over the course of the interview rather than being pre-determined. A good conversation involves the following.

The interviewer:

- Asks 'good' questions
- Listens
- Asks for more
- Checks understanding.

So that the informant:

- Speaks freely
- Provides high-quality information related to the research question.

Good and bad questions

What makes a 'good' question? (Use **slide 61** as appropriate).

Ask participants to think about how we ask questions in a SSI. What are good questions? What questions should we avoid?

'Good' questions are open questions that start with who, how, what, where and why. For example, 'How does the produce get to the market?' 'What happens to it after that?'

'Bad' questions are:

- closed or leading questions where the answer is 'yes' or 'no'
- long questions where the interviewee forgets the question being asked
- double-barrelled questions (such as 'What do you feel about the current extension service in your village compared with that of five years ago?')
- questions that use jargon.

Questioning too directly or too generally about problems can lead to shopping lists and long moaning sessions which are not productive. They can negatively influence the feel of the interview. Try to identify problems from the tone of the conversation and then probe to discover their nature.

Probes and prompts

How can we prompt and probe?

- prompts: things you may need to remind the interviewee about
- probes: getting the interviewee to say more about a particular topic.

You can refer to some examples of probes in **slide 62**.

Participants may find it useful to write some of these down in their notebook as a reminder during the interview. More information can also be found in **handout 11**, an interview guide produced by the Research Consortium on Educational Outcomes and Poverty (Recoup).

Activity 2: Interviewing excercise

Explain that there is not time to have a full rehearsal for tomorrow, but that you will try a short exercise that will help participants to be ready. Each participant will conduct a mini-interview, using their prepared checklist.

Ask participants to return to their groups or pairs and prepare questions based on the topics they have identified for each informant. **Slide 63** gives some examples of questions related to two theme areas. These might help participants at this stage.

Give participants five minutes to prepare and a maximum 15 minutes for the interview. This should include their introduction and an explanation of why they are there, a general ice-breaking question, two or three questions from their checklist, some probing, a wrap-up including a summary of the main points made, an explanation of what happens next and a thank you.

After the exercise is completed bring everyone back to the group and sum up the session by facilitating a discussion based on the following questions:

- What is it like to be an interviewer?
- What is it like to be interviewed?
- Are you ready for tomorrow?

SESSION 8: BRIEFING FOR FIELD RESEARCH

Timing	30 minutes
Aim	To provide logistical information related to the field exercise.
Objectives	1. By the end of the session participants will be aware of where they need to be at what time and who they are interviewing.
Resources required	• Flip chart from previous session giving details of who is interviewing whom, when and where • Refer to the section on Planning Research Interviews in Part 1 of this manual for more information.
Outline	The content and structure of this session will be dependent on the details of the field research planned for the next section of the workshop.

SESSION 8

Using the chart prepared previously to Session 7 (and illustrated in the Planning Research Interviews section in Part 1 of this manual), ensure that all participants know which informant(s) they will be interviewing, with whom, where and at what time. If transport is required to reach the interview locations, make sure this has been arranged and that participants know where and at what time they will be collected. Ensure also that any interpretation needs are covered.

In piloting this workshop, it was clear that participants should be prepared to be flexible. Due to the nature of their work some of the interviewees may not be available as previously arranged and so participants should be encouraged to seek out other informants if necessary. They should also be ready to take advantage of any opportunity that arises to interview additional market actors not identified in the formal interview list.

Participants should take with them their semi-structured interview checklists prepared in the previous session, as well as any opening statements that you would like them to use in their interviews with market actors.

Agree with participants at what time you will re-convene in the training room to continue with the next sessions of the workshop.

SESSION 9: INITIAL DE-BRIEFING ON FIELD RESEARCH

Timing	60 minutes
Aim	To provide an opportunity for participants to feed back their initial impressions and experiences from the practical data collection exercise.
Rationale	Daily debriefings are a key feature of the action research approach to data collection. Participants need to experience how this activity can contribute to the ongoing analysis process.
Objectives	By the end of the session participants will have: 1. Discussed the information collected during the interviews 2. Reflected on the experience of data collection through interviews 3. Discussed how the findings might impact on further research 4. Identified improvements to the interview tool and/or technique 5. Agreed on a plan for implementing these improvements.
Key learning points	• De-briefing during field research identifies necessary changes to the research plan and promotes teamwork • The process of data collection can reveal new avenues of research • The experience of data collection can lead to improvements in the interview checklist and technique
Resources required	• Possibly some visual cues for the debriefing discussion
Outline	Explaining and conducting a debriefing discussion.

PREPARATION

Decide on a debriefing model to use. If using the debriefing model described here, decide which option you will use. The model can be followed using just flip chart paper but you may prefer to prepare some flip charts to speed up or clarify the process. If participants will be facilitating this session, remember to inform them ahead of time.

SESSION 9

De-briefing is an important aspect of market research. It serves a purpose in two ways:

1. **Process and experience of conducting research** (such as interviewing) – it helps the team to share experiences (both positive and negative) from which everyone can learn. It therefore plays an important role in developing the skills and confidence of the research team as the research proceeds.
2. **Data collection** – it contributes to the monitoring of progress against the research question. It reassures the team where things are going well, and it provides new direction and exposes needs for new questioning and the existence of previously hidden stakeholders, all of which might otherwise be ignored. It is therefore a mechanism to encourage whole-chain thinking. In a 'real' research situation these gaps are followed up during later phases of research.

A range of debriefing processes would work here, so feel free to adapt, as long as the principles above can be met. The debriefing model used here takes the group through four phases:

1. What happened?
2. How did you feel about it (positive and negative)?
3. Why was that?
4. What changes do we want to make?

Both the experience and data aspects should be covered, and the information can be drawn out in various ways. Consider which of these options would be most appropriate for the group:

- Option 1: Run a single process with the whole group, ensuring that issues about both the experience and the data collected are covered.

  This will need to be closely monitored by facilitators to ensure issues of experience and data are included, but it could be run by a few group members.
- Option 2: Divide the group into two and have one group run the process focussing on the experience and the other to run the process focussing on the data. This would be followed by a 'show and tell' of the product from each group.

  This could be run by group members themselves. Clarity is needed on the difference between experience and data.
- Option 3: Run two consecutive processes – first for experience, next for data – with the whole group.

  This could be a little repetitive so might require more dynamic facilitation. Clarity is needed on the difference between experience and data.

Below is a guide to questioning in this process to debrief the experience and to debrief the data collected:

De-briefing phase	Debriefing the experience	Debriefing the data collected
What happened?	Were there any changes to the plan? What happened during the interviews?	What different chain actors did we interview today? Did we collect the information that we requested or are there significant gaps? Did we identify any new areas of research or new actors that we need to consider? Was any information unclear?
How did you feel about it?	What felt good? What felt difficult? Were you comfortable with the reactions and responses of your informants?	Were you surprised by any information that contradicted your assumptions? Were you sceptical about any of the responses you got?
Why was that?	What contributed to the difficulties and how could it be improved? What contributed to the positive experiences and how could you make sure it is repeated?	In what ways was our interview checklist or interview method (not) useful? Do we need to change our checklist based on information received today? What changes should we make to our interview tools? Do we need to arrange to interview any new actors identified today?
What changes do we want to make?	What changes will you make to the process?	How should we organise changes to the checklist and/or interview list? How can we arrange interviews with newly identified informants? Who will do this and when can it be done?

Summary

Regular debriefing is an important part of the research process. It enables us to start to assess the quality of the information we are gathering and to be responsive to the conditions in the market sub-sector that we are researching.

It is important to consider both the process that we are using to gather information (how we are working) as well as the information we are gathering (what we are learning).

As a result of the debrief:

- we may want to make changes to the tools we are using (for example, interview questions, people to interview)
- we may identify new areas (that were not previously in our research plan) that we should explore in order to have a full understanding of how the market works.

In Session 10, we will look at the process and principles of data analysis in more depth.

SESSION 10: ANALYSIS – ORGANISING DATA AND DRAWING A MARKET MAP

Timing	120 minutes
Aim	To increase understanding of the process and principles of market data analysis and market mapping.
Rationale	A market assessment/VCA generates a lot of data and many ideas. Participants need to be able to order, evaluate and prioritise this information in a participatory analytical process so that a market map can be developed.
Objectives	By the end of the session participants will have: 1. Discussed an appropriate process for the analysis of data 2. Organised some of the data collected in the field 3. Reviewed the basic principles of market mapping 4. Used data collected in interviews, case study material and information from resource persons to develop a market map 5. Considered the use of quantitative data and included this in the map.
Key learning points	• Analysis means looking carefully and critically at the information collected about the market and determining the implications for the research question • Data collected from market research may be biased or unreliable. Triangulation helps to assess its reliability • The organisation of data from rough interview notes into summarised points under key headings makes the analysis process easier and more reliable • Market maps facilitate shared discussion and understanding. They are also valuable for identifying problems, opportunities and leverage points • Quantitative information increases the value of a market map as an analysis tool.
Resources required	• Text for Activity 1 – the fact/opinion/rumour exercise • Materials for preparing the maps: flip chart (at least 0.5m x 1m), sticky notes, cards, etc • Copies of supplemental information on the market, if required • Handout 12: Data analysis
Outline	A. Introduction Activity 1: Preparing for analysis – fact, opinion, rumour B. Overview of the analysis process C. Compiling and organising data Activity 2: Extracting and organising data D. Preparing the market map Activity 3: Drawing a market map

PREPARATION

Ensure that you have a copy of the text for Activity 1 – fact/opinion/rumour exercise (provided below in facilitator's notes).

If available, participants should be provided with any useful secondary data (including previous market studies).

Organising groups for analysis may take some preparation as each group needs to have data from interviews with the all chain actors.

SESSION 10

A. Introduction

1. Introduce the aims and objectives of this session using **slide 64**. We will begin the process of analysis by organising the information collected, preparing a market map and then begin building on the market map to get a good overall picture of the market chain.
2. Remind participants of where analysis and mapping occur in the cycle of VCA steps – **slide 65** reminds participants of the cycle seen before.

If there is useful secondary data (such as market chain research from another source about the same market), introduce this now.

Activity 1: Preparing for analysis – fact, opinion and rumour

This ten-minute exercise about fact, opinion and rumour also serves as an 'energiser' for the session. The objective is to encourage participants to think about the quality and reliability of the data they have collected.

Step 1. Begin with a discussion about the difficulties of judging information coming from informants. There may be links back to issues generated in the debriefing discussion. Ask participants how we can judge the validity or reliability of information we are given. Define the three ways of categorising information – facts, opinions or rumours. Ask participants to define these words, or if time is limited, show **slide 66**.

If working in a language other than English we recommend that you check with the interpreter in advance that there is sufficient distinction between these three words, or if it should be explained in some other way.

Step 2. Read out the following paragraph, pausing after each phrase to give time for participants to judge each phrase as fact or opinion or rumour and making a physical signal with their arms to indicate which (if you want more energy, choose more energetic ways to indicate each).

For example:

- Fact: raise one arm
- Opinion: put hands on your head
- Rumour: cross your arms in front of you.

Text for fact/opinion/rumour exercise

> 'Let me tell you a little bit about my village. There are 420 households (**F**), two shops (**F**) and the best mosque in the region (**O**). They grow millet and ground nuts and maize as a second crop (**F**). Fruit is very important (**O**). For some households it is their main source of food in the rainy season (**F**). These days more households are selling bananas and watermelon (**F**). The price is high and because of the lack of rain expected this year (**R**) it will stay high (**O**). But we have to improve our traditional way of storing fruit. They say that they can store fruit in Kerewan village with little trouble (**R**) but apparently in Sinchu Madado there a lot of problems with rotting and insect pests(**R**).'

Note: The above story can be adapted to local conditions (for example, use 'temple' instead of 'mosque', include local fruits and so on).

Step 3. Briefly discuss the exercise and try to draw out the following:

- When collecting and looking at collected data try to think about what category information falls into. What data might need cross-checking? (Note that even the statements given as fact in the exercise may not be seen as reliable by participants.)
- Think about how rumours and opinions might be further investigated. (You could link this back to probing and prompting questions in a SSI and to cross-checking.)
- Judging information is subjective, each listener will tend interpret information based on preconceived ideas or prior experiences (which may or may not be relevant!)
- Reflect – when does information/data become a fact?

Step 4. Explain that triangulation is an important methodology used in qualitative research. Qualitative data is fact, opinion or rumour as reported by informants (rather than verified facts). Such information may be biased or just plain unreliable. In order to overcome this we look at information on the same issue from a number of different informants. If the information from a number of different sources agrees, then this may enhance the reliability of the information.

Slide 67 shows a simple diagram to illustrate triangulation.

If information from a number of different sources does not agree, or is slightly different, it may be unreliable, but it might also indicate different perspectives on the same problem. For example, in a market chain each of the main actors will view problems from a different perspective. In the triangle diagram in **slide 67**, the farmer sees the problem as the low prices he gets for his products while the trader sees the problem as the poor and variable quality of product he gets from the farmer. The retailer sees the problem as lack of reliability of supply from the trader and farmer.

All of these problems are, in fact, aspects of the same problem (lack of information flowing between actors on what, when and how to produce). This demonstrates one of the key advantages of VCA – gaining a holistic overview of the market from all stakeholders brings more clarity and understanding on problems and reveals opportunities for solving them.

B. Overview of the analysis process

1. Having collected a lot of information about the market chain and those involved in it, we need now to go back to our original research objective or question and ask 'So what?' and 'What are the implications?' The purpose of the analysis phase is to create as full a picture as possible of the market chain, examine the information collected and think about the implications of this information in respect to our objective or research question.

2. Use **slide 68** to present and discuss briefly the following key points about analysis:
   - Analysis actually already starts early on in the process of VCA – during the deciding phase (refer back to the points made there), the data collection activity and the debriefing sessions
   - It is important to analyse data with our objective or main research question in mind and think from the perspective of our main target group (for example, farmers, small businesses, etc). Prioritise information that is helping you answer your research questions and make programme design decisions
   - An important method in analysis is the visualisation of information using tools such as maps, diagrams and matrices. This facilitates shared analysis, especially with stakeholders
   - Remember each actor is an expert on his part of the chain but will have a biased and probably unclear view of the rest of the chain
   - The process of triangulation (the combining and contrasting of the different perspectives of actors in the chain as discussed in the previous activity) is an important aspect of analysis
   - Analysis, like all the steps in the VCA process, can be done in a participatory manner together with stakeholders from the market chain if a comprehensive stakeholder approach is being used
   - Focus not only on facts and opinions but also on people, companies and organisations. This will help you determine which enterprises to form partnerships with and how to initiate change.

3. There are many ways of carrying out analysis and every manual or toolkit you will look at has a slightly different approach. Present the six-step process we will use in this training given in **slide 69**. More information on VSO's particular approach to data analysis is also given in **handout 12**.

C. Compiling and organising data

1. Before detailed analysis of the data can take place, it is important to organise it, since you probably have a large amount of data in untidy notes from several different interviews.

2. Relevant information (information that supports our basic knowledge of the chain or relates to our specific research question) is extracted from the notes, summarised and categorised according to the main sub-questions in the checklist or according to the key aspects of the market (information on the chain itself, information on the support service environment and information on the institutional environment). See **handout 12** on data analysis for more information if required.

3. It is important to extract and summarise data together with other members of the chain analysis team so that issues around unclear or conflicting data can be discussed and clarified. This also promotes shared understanding of the chain. Usually all data will be extracted and summarised before proceeding to a group analysis, however for the purposes of this training we will extract and organise the data as we go along in order to emphasise each step of the analysis.

Activity 2: Extracting and organising data

Step 1. Participants return to their 'research' groups, having ensured that both members of each pair have a full set of notes from both of the interviews that they either conducted or observed. Explain that, as a first step, they will extract all the information needed to construct a market map. This means we want to get all the information on the main market actors, what their functions are, the supply demand/situation of the product and any quantitative information collected on the chain. It may help participants to use a matrix similar to the one below and shown in **slide 70** for this purpose.

Actor and location	Function in chain	Ownership of product? (Y/N)	Quantitative data (averages may be necessary to get comparable data)					
			Number of similar business	Number of people employed	Number of units/ volume handled per week	Buying price	Selling price	Direct costs

Step 2. Emphasise to participants that we are working on a limited amount of data. If relevant and possible, this information can be supplemented with data from other research and from experts on the chain if present in the group.

Step 3. After 30 minutes allow each group to view the other group's work and comment. Allow for questions and clarifications and any further insights or comments about the market actors and quantitative data on them.

D. Preparing the market map

1. The next step is to use this information to prepare a market map – a visual representation of the market. Remind participants that we looked at market maps during our discussion on market development on the first day (point to a map already on the wall).

2. Remind participants of the value of maps using **slide 71**.

3. It is often useful to develop a working map even earlier in the research activity, as it can be helpful in deciding whom to interview and as a tool in debriefing sessions held at the end of each data collection day. Explain that now we want to develop a map based on all the information we have collected that we can use for more detailed analysis.

4. For large-scale and very detailed value chain development initiatives there are agreed ways of drawing a map. Our aim is to keep things as simple as possible so when preparing your

market map just follow a simple flow diagram similar to **slide 72**. Note the following points:

- Use boxes (or cards) for actors and arrows to show the flow
- Show the product flowing from left to right
- If your market map involves more than one value chain, try to keep the different functions (such as producer, processor, trader, etc) vertically aligned (above one another in a column formation)
- Show the different channels clearly and separately – do not try to include complex flows in one diagram.

Clarify any questions from participants about the format.

Activity 3: Drawing a market map

Step 1. Ask participants to go back to their group and use their own data (plus the supplementary data and local knowledge in the group if applicable) to prepare a market map. Provide participants with the following guide:

- Use a flipchart page or other large paper to make charts to work on (minimum size of around 0.5m x 1m). Set up areas to work with wall space and flip charts
- Use the information from your matrix to develop the map
- Write actors onto sticky notes or coloured cards (you can colour-code actors according to their value chain function or other criterion)
- Arrange cards on large charts and connect with arrows to show product flows (tip: start with either the production end and work forwards, or the consumption end and work backwards).

The market chain may be complex and almost certainly the product will flow through more than one channel. Participants may include a number of channels in the map, but to make further analysis simple, each group should select one particular channel for detailed analysis.

For example, in the photograph below (a fisheries market map from Cambodia), the group have focused on a limited number of channels, leaving information about other channels at the top and bottom of the chart. In a real situation, in order to analyse the whole market but avoiding a very complex single map, several maps might be required, each representing one or a few channels.

Example market map from Cambodia

Step 2. Once the development of the map is quite advanced, focus the group discussion for a few minutes on obvious constraints (problems), opportunities and trends related to the main functions in the chain. Think about the research question and particularly look for examples of exclusion of the target group that may be useful here.

Note down important outcomes of this discussion on a separate 'constraints/opportunities/trends' flip chart or notes page with separate categories for each. These notes are important and will be supplemented as they go along and will be used again in the concluding analysis.

Step 3. After 30 minutes, even though groups may not have completed their map, break for a few minutes from the task to discuss adding quantitative information to the map. Explain that adding quantitative data (sometimes referred to as a quantitative overlay) will provide a more detailed picture of what is happening in the chain and help identify points of economic leverage. Ask participants what types of quantitative information might be most useful for the analysis. This may be:

- Number of enterprises (might indicate opportunities to benefit small businesses or inefficiencies in the chain)
- Number of employees, including gender (might indicate opportunities for expanding employment or significant gender emphases in the chain)
- Sales value (might indicate differences in the share of value along the chain)
- Simple gross margin calculation (see earlier explanation in Session 6 and **handout 8**) – indicates the relative profitability of each function and weak points or exploitation in the chain)
- The demand/supply situation at each link (might indicate the potential for market growth – although note that exact figures may not have been available from or known by informants, in which case the situation could be expressed in an indicative manner using multiples of plus and minus symbols).

Some of these may be taken directly from our matrix of quantitative data, while others, such as gross margin, may need to be calculated. Show an example of a quantitative overlay in **slide 73** and ask participants for any clarifications needed.

Step 4. Ask participants to add at least one quantitative overlay to their map (such as the pricing of a product through a particular channel) and make a list of overlays that they think would be particularly useful for this case study example (such as product pricing, product volumes, the cost of associated services and timelines).

Step 5. Before the end of the session ask the groups to look at each other's maps in a quick poster session and share any comments or suggestions.

End the session by summarising key learning points (see above).

SESSION 11: ANALYSIS – USING THE MARKET MAP TO ANALYSE CONSTRAINTS AND OPPORTUNITIES

Timing	120 minutes
Aim	To understand how to map relationships, service environment and institutional environment and to analyse constraints, opportunities and trends.
Rationale	Participants should know how to build up a full picture of the market chain, which can then be used as the basis for assessing constraints and opportunities and identifying possible solutions.
Objectives	By the end of the session, participants will have used a market map and other tools to identify from interview and case study data, the existence and nature of: 1. links and relationships in the chain 2. the service sector and the institutional environment 3. market trends and their drivers 4. exclusion, other constraints and opportunities 5. They will identify possible solutions to the exclusion and constraints identified.
Key learning points	• A market map can be used to assist, guide and focus analysis in a participatory way • Markets are dynamic, so trends and the factors driving them are important aspects of the whole chain picture • Constraints and opportunities need clearly to indicate whom they affect and what is the impact is • Systematically summarising and analysing key aspects of the chain helps to identify solutions and interventions
Resources required	• Handout 13: Main elements of value chain analysis
Outline	A. Introduction Activity 1: Ks or Hs? Activity 2: Mapping links and relationships Activity 3: Mapping information on services and the institutional environment B. Trends and drivers Activity 4: Identifying trends C. Exclusion issues, constraints, opportunities and solutions Activity 5: Developing solutions from identified constraints and opportunities

PREPARATION

Ensure that the market maps and constraints and opportunities flip charts from the previous session are ready and available for continuing the analysis, especially if there is an overnight break between the two analysis sessions.

If not using PowerPoint slides, prepare the drawings for Activity 1 – seeing Ks or Hs exercise.

To save time and keep the process flowing, prepare the matrices in advance for each group on relationship mapping (Activity 2), services and institutional environment (Activity 3) and constraints/opportunities/solutions (Activity 4).

SESSION 11

A. Introduction

1. Introduce the aims and objectives of this session using **slide 74**. In this session we continue the process of analysis by adding information on relationships, service environment and institutional environment and then finalise the analysis by looking at drivers, trends, opportunities and constraints.

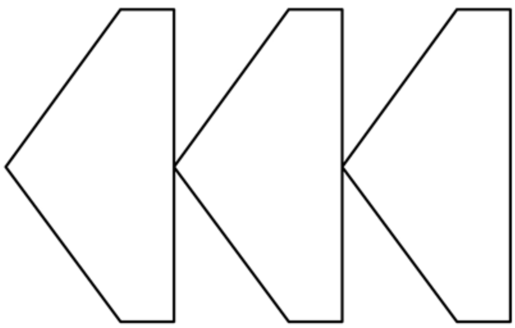
2. Review the mapping progress made so far by each group. Remind participants again that the analysis phase can be carried out by a special research team or it can already be a stakeholder activity. In a real-life situation this analysis activity may be a workshop lasting two to three days. We only have just over half a day, so the analysis we carry out in this training is limited.

   Tip: If time is very short, encourage groups to form working groups during this session and assign specific tasks (such as link mapping, service mapping and institutional mapping to each sub-group so that the analysis can be completed more quickly).

3. Before starting the group work, take five minutes to do the following 'Ks or Hs?' exercise, which demonstrates how recent experience influences the way we see the world.

Activity 1: Ks or Hs?

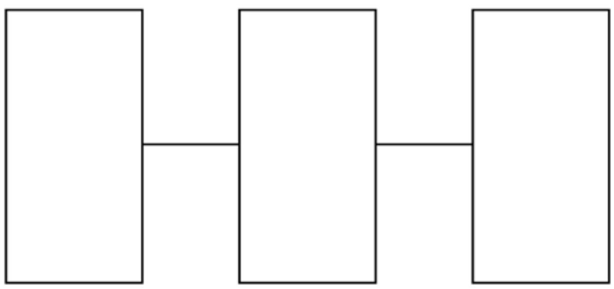
Step 1. Exhibit the following diagram to participants (**slide 75**).



Ask participants 'What do you see?'

Usually initial responses are 'arrows', 'three houses on their side', 'increasing importance to the left', 'go left', etc.

Step 2. When you get the response 'two Ks', immediately highlight the two Ks and go on to exhibit the following diagram (**slide 76**):



Ask again 'What do you see?'

It is very likely you will get the response 'two Hs' immediately.

Step 3. Ask the participants 'Would you have seen the Hs if someone had not first pointed out the Ks?'

Main points:

- You see the Hs more easily because you are conditioned by what had just happened – the eye sees but the mind evaluates.
- Link this to the real world – ask participants if they can think of example where recent events have influenced the way they evaluated something else.

Activity 2: Mapping links and relationships

Step 1. Remind participants that understanding relationships and links between and amongst actors in the market chain is a crucial aspect of understanding how the chain works. Relationships and links can be a source of problems. New and improved relationships and links will certainly be one area of focus of any value chain development intervention.

Step 2. Ask participants to think about the nature of any of the relationships between actors in the chain. Try to identify examples of the following types of information:

- Is there bad feeling or bad relationships in the chain – why?
- How is information flowing or not flowing in the chain
- Is there embedded service provision* in the chain (for example, credit or technology transfer)?
- What horizontal links (links among actors carrying out the same function in the chain) exist? Are they informal or formal?

*It may be necessary at this point to provide an explanation of what is meant by embedded services – see **handout 13** for additional information.

Step 3. Ask participants to return to their groups to consider relationships and links in the chain. Another matrix may help this discussion, such as the one given below and in **slide 77**. (This is another example of extracting and organising data from interview notes into a form that is easier to map.)

Again, if relevant, participants can use data from the case study and resource persons in the group as well as data collected in the interviews.

Chain link	Relationship quality	Information access or flow	Embedded service delivery	Horizontal links

Groups don't have to fill in every cell of the matrix – only where they have concrete information.

Step 4. As in the previous session, once good progress has been made with the matrix, ask the group to pause and focus the group discussion for a few minutes on obvious constraints (problems), opportunities and trends (building on the previous session) with regard to relationships and links. Think about the research question and particularly look for examples of exclusion of the target group that may need to be addressed. Add points from the discussion to the 'constraints/opportunities/trends' flip chart or note page. It is worth emphasising that clear statements are required here – encourage participants to take time to think about this and write something down. Provide some guidelines and examples using **slide 78**.

- The provision of credit by the trader to the farmer (an embedded service) is causing a dependency on the trader that result in low prices being offered – **constraint**.
- The newly formed farmers' group offers an opportunity for farmers to take on additional chain functions – **opportunity**.
- The flow of information on prices is gradually improving as access to mobile phones increases – **trend**.

After 20 minutes, move on to the next stage of analysis.

Activity 3: Mapping information on services and the institutional environment

Step 1. Lack of or limited support services can be a source of problems and inefficiencies in the market chain, especially for producers or small businesses. Ask participants for examples or provide some simple ones.

Step 2. Now we are going to map what we know about the links to support services in the market chain. Ask participants to suggest examples from the interviews of support services that help the chain function. These might include any of the five supports listed in **slide 79**.

Step 3. It may help to add five small cards to the bottom of their map as reminders of these five. Ask participants to go back to their interview notes and extract and summarise information on service provision in the chain. A matrix like the one below (also shown in **slide 80**) may help to organise the data first if the situation is particularly complicated:

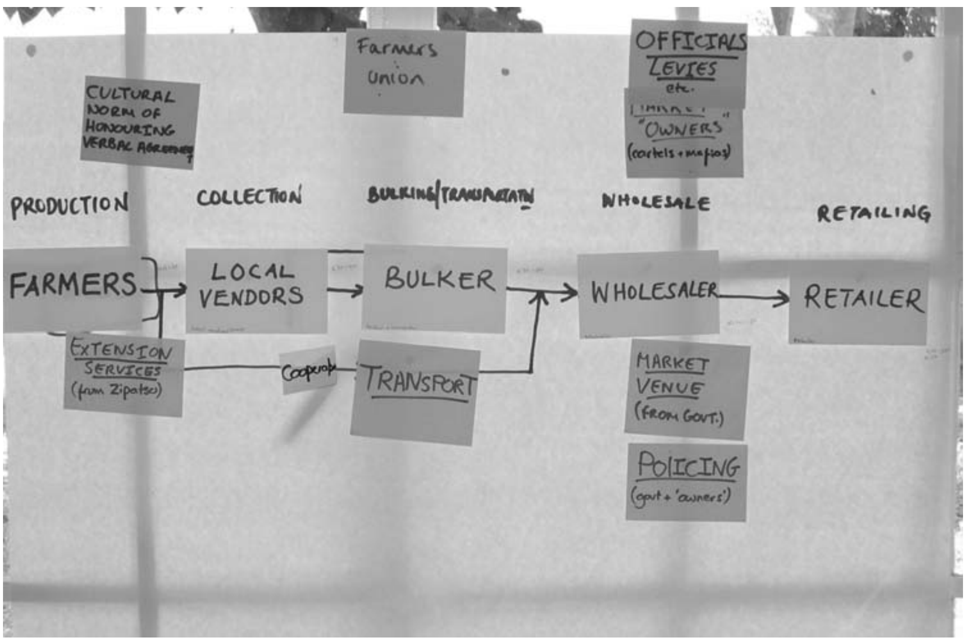
Service/product For example, finance, inputs, business advice	**Customer** Which chain actors use the service	**Providers** Who provides the service or product	**Transactions** For example, fee-based, embedded, third-party paid, informal	**Notes** For example, costs, prices, skills, knowledge, technologies, risks, exclusion

This can be added to using information from the supplementary market information/resource persons.

Step 4. Service actors and related quantitative information can then be added to the map below the chain:

- Service providers should be indicated by a different coloured card
- Known links to actors in the chain should be shown using different coloured arrows or dotted lines (to distinguish them from the arrows in the main market chain).

The example below from Malawi (citrus market) shows a number of services added to the map below the main market channel.



Example Malawi citrus market map, with services highlighted

Step 5. Add actors or functions to the map – do not place problems about services there but, as before, pause and have a more focused discussion on constraints (problems), opportunities and trends related to service provision (including exclusion of the target group). Remember to think about the research question and add key outputs from this discussion to the 'constraints/ opportunities/ trends' flip chart or note page. As before careful, specific wording is helpful. Some examples include:

- Farmers and small business in the area are unable to access advice on business matters particularly about planning cash flow – **constraint.**
- The expansion of a rural credit programme currently operated by an international NGO may provide an opportunity for farmers to invest in drying equipment – **opportunity**.
- The number of fertiliser suppliers is increasing and competition for farmers' business is high – **trend**.

Step 6. Ask participants to repeat the process for any institutional issues revealed by the interviews or case study notes. Remind participants that institutional issues include those listed in **slide 81**.

Such issues can impact on the efficiency of the chain and work for or against any proposed solutions (refer back to the session on market development).

Step 7. Remind participants not to place problem or constraint statements directly on the map. Instead, use short 'headlines' that capture the current situation (for example, 'ongoing government development plan for tourism', '12% VAT on farm products', 'no quality regulations', 'mostly informal businesses', 'no government support for small business development' and so on).

Step 8. As before a more detailed description of constraints (problems), opportunities and trends related to the institutional environment (including exclusion of the target group) should be discussed and added to the 'constraints/opportunities/trends' flip chart/note page.

Step 9. Bring participants together for a brief reflection on the process so far:

- How has the map helped you to understand and discuss the market chain as a group?
- Have you identified any new problems/opportunities/links that were not clear before?
- Can you suggest ways of improving the process?

B. Trends and drivers

1. Start by reminding participants that markets are dynamic, not static. Demand varies, consumer habits change, production methods change – even the weather can change. Ask participants to give a few examples of the way markets are changing.

2. Understanding what is changing and how it is changing is very important in our analysis. Use the examples provided by the participants (extracted from their notes/flip charts on problems, opportunities and trends) to show how changes might affect the target group and/or possible interventions. For example:
   - If cheaper imports are increasing then maybe we need to think about adding value or looking for alternative channels or market segments
   - If formalisation of businesses is increasing perhaps this poses challenges to farmers or traders operating in a very informal way.

3. When change is ongoing in a certain direction, we refer to that change as a trend – for example, demand for vegetables is increasing, farmers' yields are decreasing, food regulations are becoming more important. Point out to participants they have already identified some important trends in relation to the case study market chain, the service environment and institutional issues.

Activity 4: Identifying trends

Step 1. Give the groups ten minutes to:

- Check their interview notes and discuss with local resource persons in the group to come up with any additional information on trends

- Identify any other important trends about which they have no information but that could be important for this analysis
- Identify which of the trends identified are most important in relation to our research question.

Ask each group to present their list of trends in the market chain and write them on a single flip chart at the front of the room. Ask for any quick clarification or comments.

Use **slide 82** to point out some possible characteristics of trends.

Step 2. Go on to ask what causes these trends to happen – for example, ask participants why demand may be increasing. Factors causing change in markets are called drivers, drivers cause change and trends are the direction of that change. While trends are changes happening within a market, the drivers of these trends tend to lie outside of the market chain and its immediate institutional environment. **Slide 83** provides some helpful definitions for these three terms.

Step 3. To deepen understanding about drivers and trends go through the list of trends the participants identified in the last activity. Ask of each, 'Is it a driver or a trend?' If it is a trend what external factors might be driving it? The following questions may also help the discussion:

- What are the key factors at international, national and local level that drive changes in the market?
- As a result of these drivers, what trends do we or might we see in the market today?
- Which issues matter most for different stakeholders, especially the target group?

Step 4. If there is time you can differentiate drivers into local, national and international categories – use **slide 84** to prompt some examples. Try to help participants to consider the full 'big picture', looking beyond their usual professional sectors and timeframes to consider some of the major global drivers and trends affecting markets.

Note that analysis of trends and drivers is either historical or predictive or both:

- Historical – using data from trends to analyse drivers.
- Predictive – using awareness of drivers to predict future trends and their possible impact.

Slide 85 gives some possible examples of how change, trends and drivers may be related. More information on trends and drivers is also available in **handout 13**.

C. Exclusion issues, constraints, opportunities and solutions

1. In the process of data collection you will collect a lot of information on people's problems and probably less information on opportunities in the market chain. It's easier to talk about problems or constraints – especially because they are talking to somebody they might think is going to help them.

2. We should not just believe every problem reported to us in an interview, we should probe it more during the interview and also triangulate the information using other sources in the chain (refer back to the data collection session). Use triangulation both to confirm problems and consolidate them into a single perspective of a problem.

3. At this stage in the analysis, we want to review the information we have already gathered on constraints (problems), opportunities and trends in the market chain and its environment during the preceding analysis. We will also discuss any additional issues that need to be added in to this analysis.

It is important to draw out the following points using **slide 86**.

- An individual's problem is not necessarily proof of exclusion or a constraint to the functioning of the market chain – review your data carefully before deciding and remember triangulation.
- This is analysis so we are not just listing the exclusion issues and constraints reported to us by informants but also looking at the big picture and seeing if we can identify additional problems or opportunities from that perspective.
- Opportunities are conditions or initiatives outside of the chain that may be helpful in answering our research question or improving the functioning of the chain.

- Opportunities are not the same as solutions (possible ways of removing the constraint) or interventions (a strategy for removing a constraint).
- Opportunities are not simply constraint statements reversed but separate information or ideas that have emerged from the data collection and analysis process.

Activity 5: Developing solutions from identified constraints and opportunities

Step 1. Ask the groups to carefully assess the information and ideas they have placed on the constraints/opportunities/trends flip chart so far. Remind them to keep the research question in mind and summarise the information using the first four columns of the pre-prepared matrix below and in **slide 87**.

Aspect of the chain	Important	Exclusion	Other	Opportunities	Recommended
Demand for the product					
Main chain functions					
Relationships, links and governance					
Support service environment					
Institutional environment					

If the groups have not been able to add very much information to the constraints/opportunities/trends chart so far, give them more time to look again at the map and the information matrices and come up with some key examples of main constraints (including exclusion), opportunities and trends in the market chain.

Note that:

- Comments should be added only where there are ideas coming out of the data and discussion – for example, there may be no obvious constraints in a particular category
- Trends, exclusion issues or constraints in a particular aspect of the chain are not necessarily related to each other.

Take this opportunity to think carefully about the demand for the product. What do we know about it and how will it affect possible future interventions?

Step 2. Take a moment to discuss the wording of statements on exclusion, constraints and opportunities. Short statements such as 'no credit for farmers' or 'improved production technology' don't give enough detail. Better wording should meet the criteria given in **slide 88** (this is a repeat of **slide 78**).

Step 3. After 30–45 minutes, review the output briefly in the groups. If time allows, the group can adjust the matrix by removing, modifying or adding the content through a discussion facilitated by the trainer.

Step 4. Finally ask the groups to come up with appropriate solutions and place them in the final column of the matrix. Solutions should be ways of overcoming the exclusion/constraint either by taking advantage of the stated opportunities or identifying other possible actions. It is not necessary to come up with a comprehensive list of activities at this point. More elaboration of solutions will be carried out in the stakeholder meetings that follow.

Alternatively, if time is short, ask groups to focus on particular aspects of the analysis and come up with two or three important solutions. Ask them to focus on solutions that will require engagement from several actors in the chain and that will have a positive impact on the target group.

Step 5. Allow groups to view each other's matrix and add comments in a quick poster session.

Summary

In this session, we have moved our analysis on – from mapping the different actors, their roles and connections to each other – to look more closely at the relationships between them, the institutional environment and supporting services. This has led to identification of some key constraints, opportunities and trends that will inform our decision-making about possible interventions.

Key points covered:

- Understanding the relationships and links is a crucial area of research
- Relationships with/links to the institutional environment and supporting services are often equally important as relationships with other market actors
- It is important to be specific when identifying constraints, opportunities and trends
- Keep the research question in mind and give enough time to identifying instances where the target group may be excluded from participation
- Focus on developing solutions that will have a positive impact upon the target group.

Having covered the main aspects of carrying out research, in Session 12 we will look at using meetings with other stakeholders within the market to validate the findings of our approach and to develop strategies for implementing possible solutions.

SESSION 12: STAKEHOLDER MEETINGS – VALIDATING RESEARCH FINDINGS

Timing	120 minutes
Aim	Demonstrate use of a stakeholder meeting to validate research and develop a strategy for a pro-poor value chain or market chain development.
Rationale	A successful value chain development strategy must be based on the full engagement of, and ownership by, the main stakeholders Participants will benefit from experiencing how stakeholder meetings are planned and implemented and considering how both stakeholders and external organisations might contribute to the strategy.
Objectives	By the end of the session participants will have: 1. Used a model for stakeholder analysis 2. Considered an appropriate process for a stakeholder meeting. 3. Simulated a stakeholder meeting for future planning 4. Identified possible interventions that will improve the situation of poor farmers and small businesses in the case study example 5. Identified potential contributions from, and partnerships with, stakeholders in the chain.
Key learning points	• Validating research and developing an intervention strategy should be a multi-stakeholder activity, to ensure buy-in and commitment from the various actors in the chain • Methodologies for engaging stakeholders depend on their relative power and interests • Stakeholder processes can raise expectations and expose conflict. They require careful preparation, planning and facilitation • Solutions will require contributions and action by chain actors and may also require contributions and action from external support or facilitating organisations.
Resources required	• Handout 14: Stakeholder meeting agenda • Handout 15: Stakeholder meetings
Outline	A. Introduction Activity 1: Stakeholder analysis B. Stakeholder meetings: objectives and outcomes Activity 2: Designing a stakeholder meeting C. Stakeholder meetings: process Activity 3: Stakeholder meeting role play

PREPARATION

Prepare a neat and clear version of the stakeholders list for the stakeholder analysis. This may involve combining and refining the lists created in Session 6.

Prepare matrices for the stakeholder analysis as in **slide 91** and **slide 92** (without the text in italics).

SESSION 12

A. Introduction

Introduce the aims and objectives of this session using **slide 89**. In this session we are going to look at the fifth step in VCA – the validation of findings with stakeholders and the development of future action. First we will think about the stakeholders and their relative importance and influence in respect of the market chain. Then we will consider stakeholder meetings and processes in general. Finally, using the material we have developed so far, we will have our own stakeholder meeting as a role-play exercise.

Review the progress made in the previous sessions and summarise where we are in the VCA process. Remind participants that the research team could go further with developing solutions before taking all the issues to stakeholders if preferred. The exact point at which we should engage stakeholders together is a judgement that depends on the particular circumstances.

Activity 1: Stakeholder analysis

Step 1. Have a plenary discussion around following question and then refer to **slide 90** to ensure the main points are clear:

'What are the benefits of engaging stakeholders when developing solutions and interventions?'

Step 2. Referring to the stakeholder list that was prepared in Session 6, ask participants the following questions:

- Will we invite everyone on the list?
- What might happen when we bring these groups together?

The responses should help you to point out why we need to think about these stakeholders carefully before we decide to bring them together at a stakeholder meeting. Who are the most important stakeholders? Who are most likely to be able to influence change in the market chain?

Step 3. Explain that we are going to use a stakeholder analysis tool to evaluate the stakeholders and to help us prepare for the stakeholder meeting. Stakeholder analysis may be useful earlier in the VCA cycle too – for example, to help you to decide who to interview and which questions to ask. The exact timing of the stakeholder analysis may vary, but it is important that it is done before a stakeholder meeting.

Stakeholder analysis is used to establish the relative importance and influence of people, groups or institutions with an interest in the development of the value chain. First, ensure that there is a shared understanding in the group of the following terms. Further explanation is provided on **slide 91** and the stakeholder analysis facilitation notes on page 152 of the VSO publication, ***Participatory Approaches: A Facilitator's Guide*** (see reference section in Part 4 for more details), which is provided as an additional resource on the accompanying CD.

- Interest – what actors stand to gain/lose through the development of the value chain
- Influence – of the actor over the existing chain (both positive and negative) in terms of impact on our target group.
- Importance – of the actor's role in development of a value chain that brings a positive outcome for our target group.

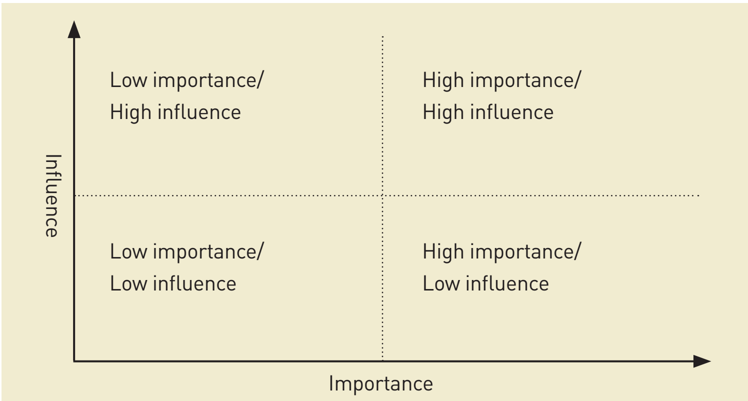
Note that the scoring of influence has both a positive and negative scale – this is an analysis of whether their influence contributes to a value chain approach (a positive impact) or detracts from a value chain approach (a negative impact). For example:

- A cartel that charges unofficial taxes to wholesale traffic at the market gate has a negative influence
- A market owner who charges reasonable fees for wholesale traffic at the market gate and provides security, cleanliness and maintenance of the marketplace has a positive influence. They are providing support services to chain activity, which are being funded from the chain activity.

Step 4. Have participants return to the pairs or groups of three in which they interviewed. Using information from all sources (market maps, interview notes, and the notes made by each group during the mapping), groups complete a copy of the matrix below (this can be found in **slide 91**) for each of their informants. Use **slide 91** to explain how each column should be completed.

Stakeholder	Interest in the value chain (description)	Influence over the value chain (-5 to +5)	Importance to the development of the value chain (0-5)

Step 5. Once this matrix is complete for each of the informants, the results can be plotted on a second, central matrix (shared by the whole group) as below, which should be reproduced on a flip chart. Each informant is placed on the blank matrix in the appropriate quadrant. (Don't display the slide yet – the text in each quadrant should not be seen by participants until after they have plotted stakeholders.)



Step 6. Remind participants throughout this process of how subjective it is, and to be aware of how they are making judgements and on what basis. Involving one or two people from outside the research team may be helpful here.

Step 7. Ask participants from which part of the matrix stakeholders should be selected. Now show **slide 92** to highlight to participants the risks and benefits of inviting stakeholders in the top left hand of the matrix, especially if their views conflict with high importance stakeholders. Ask participants to give brief feedback on this tool and any experiences with using it. Draw out the following points about the tool:

- It identifies possible allies and potential partners, as well as potential constraints and risks to the process
- It indicates potential conflicts that may arise during the meeting and the need for preparatory one-to-one meetings to reduce this risk
- If stakeholders themselves use this tool, judgements about their relative importance and influence may need to be managed in a sensitive way
- A neutral facilitator who is not a stakeholder is better for this activity
- The importance of remaining objective and backing up judgements with evidence.

During this discussion the issue of power relations and potential conflict may come up.

Step 8. Inevitably during participatory stakeholder processes you will have to deal with differences in economic and political power. It is necessary to address these issues, otherwise your stakeholder meeting may serve to further marginalise those you are trying to help.

Ask participants for ideas on how this might be done before showing **slide 93**.

Tips for dealing with power issues in a stakeholder meeting:

- Work with less powerful groups to help them clearly establish their concerns and issues and prepare to present them. Provide groups with professional support in researching, documenting and presenting their case
- Actively support the capacity development of less powerful groups
- Build trust and understanding between different groups so that more powerful groups may become more supportive of others
- Stop or change a process where there is a high risk of further undermining the interests of the less powerful
- Facilitate processes in a way that ensures all groups have equal space for contributing.

Step 9. Similarly, in stakeholder meetings and processes conflict may arise due to:

- disputes over the validity of information
- personality differences
- competing interests
- differing values.

Conflict is often initially dormant, and then may erupt and intensify before being resolved or settling into a stalemate. Dormant conflict can often be even more disruptive to the process than open conflict.

Again, ask participants for ideas about how to deal with conflict before showing **slide 94**.

When resolving conflicts and helping people to negotiate, focus on:

- separating the people from the problem
- focus on interests rather than positions
- generating a variety of options before settling on an agreement
- insisting that agreements be based on objective criteria.

Step 10. At the end of this discussion, direct participants to further information in **handout 15** and any other resources available.

B. Stakeholder meetings: objectives and outcomes

Make the following points to set the context of the next phase:

- Stakeholder meetings are usually conducted in the second or third round of research after the design team has refined the project purpose, determined and tentatively prioritised strengths and constraints, identified tentative sustainable solutions and begun to create interventions
- Stakeholder meetings are most successful when the facilitating organisation has already gathered substantial information on the value chain. This enables the researchers to guide the discussion towards common challenges and areas of mutual interest among the participants
- Stakeholder meetings are useful for identifying value chain actors who might make appropriate programme partners. They also often have the aim of resulting in concrete actions to develop a value chain. Stakeholder meetings are not only part of market research, but can be part of programme implementation
- In a stakeholder meeting or any stakeholder process there needs to be a facilitating organisation or team that will maintain momentum and a holistic view of the chain.

Activity 2: Designing a stakeholder meeting

Step 1. In plenary, develop a list of possible outcomes of the stakeholder meeting using the following prompts:

- What is the objective of the stakeholder meeting?
- What should be discussed at a stakeholder meeting?

It may help to review what we know about the market from the interviews and mapping so far.

Step 2. Draw out the key objectives of a typical stakeholder meeting at this stage of VCD, given on **slide 95**.

Emphasise that these objectives are based on where we are and what we want to do next in the VCA/VCD process (the objectives of a stakeholder meeting may differ if you are at a different stage in the cycle or are engaging stakeholders at an earlier or later stage in the process).

The objectives of a meeting describe what will happen during the meeting. It is also helpful to understand why these meeting objectives are important and what they will lead to. This can be described in an outcome statement. The outcome statement describes what will have changed if all the objectives are met during the meeting. It connects the objectives of the meeting to the longer-term market development process and helps participants to understand and engage with the meeting itself.

Step 3. Ask participants what outcomes we might hope for. For example, we might expect the outcome of a stakeholder meeting to include issues of trust and understanding, as well as commitment to, and ownership of, process and future action.

Pull these answers together into a coherent outcome statement (but don't focus too much on getting exactly the right wording). For example:

'Participants will have a better understanding of the whole market chain in which they are involved and of the roles, challenges and hopes of other actors in the chain. They will understand the mutual benefit of one or more specific improvements to the chain and will be able to identify their role in making these improvements.'

It is important that participants of the stakeholder meeting are clear about the objectives and the intended outcomes.

Step 4. Based on these objectives and desired outcomes, what sort of questions might we ask participants in the stakeholder meeting? If time allows, ask participants in group work or plenary to come up with two or three questions for each of the objectives. If this is not possible, present the matrix on objectives and questions in **slide 96**.

C. Stakeholder meetings: process

Having established objectives and outcomes, and the questions that will help us achieve them, we need to plan the structure for the meeting. Refer to a generic example of a workshop agenda (such as the example given in **handout 14**). Review the agenda guide, clarifying and encouraging contributions and suggestions from participants.

Ask participants if they understand the objectives and process of the stakeholder meeting and if they have any further comments or contributions. Provide participants with a list of tips regarding stakeholder meetings from various sources such as in **slide 97** and **slide 98**.

The VSO publication, ***Participatory Approaches: A Facilitator's Guide*** is included on the CD that accompanies these materials. It contains many ideas for activities that could be used to present your findings and proposals and facilitate discussion amongst stakeholders to achieve the desired outcomes.

Activity 3: Stakeholder meeting role play

Role-playing a stakeholder meeting at this point enables the following:

- To remind participants more strongly of what would happen in real VCD work but that can't be replicated in this workshop
- To develop a set of skills that a VCD research team must have (particularly facilitation and participation skills)
- To demonstrate the completion of the cycle of VCD
- To discuss possible solutions that have been developed from the research and analysis of the last few days and the ways ahead for the development of the value chain.

Time is limited so you might choose to role play only part of the stakeholder meeting. For example, assume that the stakeholders have validated the market map and constraints and focus the role play on consideration of solutions and contributions.

Step 1. Invite participants to take on roles as follows. Explain how long they will have to prepare (15 minutes minimum).

Two or three facilitators

These individuals play the role of the VCD research team convening the stakeholder meeting. They should use the handouts and materials from the previous section to develop an agenda for the meeting to be role-played and write clear questions to be answered by stakeholders and prepare any visual resources required.

Help the facilitators prepare and focus by suggesting these themes:

- What are participants' opinions of solutions identified to date?
- Can participants suggest additional or modified solutions?
- How do participants think they could contribute to accomplishing the proposed solutions?
- What external support would it take to make a particular solution happen?
- What resources are available within the value chain to support the solution?
- What resources would need to come from outside the value chain?
- There may even be time to reach a consensus amongst participants on key next steps.

Two or three observers

These individuals will observe the role play. They should prepare by reviewing materials from recent sessions to create a checklist for what might be helpful to observe during the role play. The focus should be on learning points from the role play that will help us run a stakeholder meeting (rather than on issues specific to the market chain).

The rest of the participants

These individuals will each assume the role of one of the informants they interviewed. Check that there is a reasonable spread of stakeholder roles being played, and that key stakeholders aren't under-represented. They prepare by reviewing materials from the course and their interview notes to refresh themselves about what the issues were for these characters so that they can get into the role. This group especially should put away their objective approach as a development professional and to think themselves into the role.

Step 2. Run the role play.

Step 3. At the end of the meeting, close the session by asking participants for their reflections on the exercise. The following questions might be useful as prompts:

- What happened during the meeting?
- What was the most important decision or other output?
- What did you think of the solutions and contributions discussed?
- What do you think will be the problems associated with developing this chain?
- Do you see any potential partners or potential leading organisations amongst the stakeholders?
- What would we do next as the facilitating organisation?

Alert participants that more information and guidance on stakeholder analysis and stakeholder meetings can be found in **handout 15**.

SESSION 13: ACTION PLANNING

Timing	60 minutes
Aim	To create an action plan for each participant that integrates learning from this workshop into their regular work.
Rationale	The main purpose is to give participants time to reflect on the overall course from the perspective of the day-to-day work of their organisation and of the target groups they serve. Actions planned or arising as a direct result of the workshop are a key way to ensure that participants have understood and been able to see the relevance for their organisations. These actions will range broadly depending on specific context of participants and the organisations they represent. However they could include conversations, meetings, research, team building, changes to practise, and /or changes to programming.
Objectives	1. By the end of this session participants will be able to list a series of actions with suggested timelines that implement aspects of this workshop into their daily work.

PREPARATION

Varies, depending on the format chosen for this session.

PROCEDURE

There are many different ways of running this session. The model given here is most useful where there is more than one representative of an organisation in attendance, or where there are existing relationships between represented organisations.

Participants representing or working for the same organisation work together. Groups could also be of participants from organisations with a similar focus. Pairs and threes are ideal. An informal discussion in the small group centres on developing an action plan.

Participants may need first to agree what they mean by an action plan, but it should include:

- What will be done
- Who will do it
- When it will be done.

Each group summarises their discussion in a common way. For example:

- A statement about what will have happened within six months or
- Completing a simple table of information such as the one below.

Organisation name	Six-month work ideas
Makandi Tea and Coffee Estate	• Establish a mushroom production project • Identify possible markets • Organise stakeholder meetings • Finalise project.
VSO Nigeria	• Identify market of interest with partners • Develop and complete market assessment research in three locations • Develop concept note • Develop terms of reference for short-term volunteer to lead the research • Step-down training with identified partners on market development.
VSO Malawi	• Review programme area plan for secure livelihoods • Develop terms of reference for market research volunteers • Identify which partners to work with on market development, etc.

As the sponsoring organisation, you may wish to keep a copy of these summaries for future reference and follow-up.

Summary

In this session, participants have had the opportunity to reflect upon the learning from the workshop and to consider how they will apply it in their own work. This should enable participants to determine the key points of relevance for their own organisations and to plan actions that will lead to changes in the approach that their organisation uses to develop projects that seek to raise incomes of poor and excluded groups.

In the next and final session, we will evaluate the learning from this workshop and experience of participating in it.

SESSION 14: EVALUATION AND CLOSING

Timing	30 minutes
Aim	To evaluate and close the workshop.
Rationale	Evaluation and closing are important aspects of a workshop in order to create and focus learning from the experience and to strengthen longer-term relationships among those present. This workshop is very participatory, so many individual learning needs will have arisen and been addressed throughout the workshop that will require reflection. Feedback from participants is valuable in refining the content and delivery of future workshops.
Objectives	By the end of the session participants will have: 1. Reviewed their learning from workshop 2. Provided feedback on the training content, methodology and delivery 3. Been inspired to use learning from the workshop when they return to their workplace.
Resources required	• Flip chart • Prepared certificates (see template on the accompanying CD).

SUGGESTED FORMAT AND PREPARATION

Evaluation sessions are necessarily specific to the context of the workshop and to the individual needs of the participants involved.

Using Kirkpatrick's model[2], the suggestion here is to focus evaluation on:

- The reaction level – were participants pleased with the workshop experience?
- The learning level – has there been a change in knowledge, skills and attitudes as a result of the workshop?

Create a blank flip chart (or half-flip chart) for each session, as below:

Session 7: Market research - processes and tools	
What did you like?	What did you not like?
What knowledge did you learn?	What skills did you learn?

Place these flip charts around the room so that they are, as much as possible, in the same location as the flip charts generated during the relevant session (you may need to re-arrange the flip charts a little to do this). Ensure that the expectations flip charts from Session 1 are still clearly visible.

[2] Kirkpatrick, D.L. (1994) ***Evaluating Training Programs: The Four Levels***. San Francisco, CA: Berrett-Koehler

Activity 1: Workshop evaluation

Step 1. Written feedback

Explain the purpose of the evaluation and then give participants 20 minutes to circulate the room adding comments to the flipcharts. Ask them also to refer back to the expectations flipcharts from Session 1 when doing this.

Step 2. Verbal feedback

Allow some time for the group to give feedback in a single forum. There are many possibilities, but keep it simple. The main purpose is for each participant to have the opportunity to express themselves in the group. For example, invite each participant to share a word or short phrase about how they feel about the workshop.

Step 3. Certificates

As a closing ceremony, certificates can be handed out by participants to each other with a short recognition of contribution. This could be done in a more formal way as appropriate to the context.

GLOSSARY OF KEY TERMS

It is important that understanding of the technical terms used throughout the workshop is commonly shared. To aid this, a definition of the key terms and phrases is given below.

Business development services

Advice on planning, accountancy, book-keeping, legal issues and marketing, as well as technical services such as training for specific trades and providing access to improved technologies.

Civil society organisation

An association, group, movement or network which brings people together around shared interests, purposes and values. Civil society organisations vary in their degree of formality, autonomy and power and are distinct from government, private sector and family interests. They include registered charities, non-governmental organisations, community groups, professional associations, trade unions, social movements and faith-based organisations.

Embedded services

Support services provided by another market actor further along the chain. For example, a trader providing seeds to a farmer.

Enterprise development

Supporting the start-up and growth of private sector businesses.

Financial services

Includes savings, loans and insurance services.

Informal work

Casual labour, self-employed individuals or small businesses that are not registered or regulated by any economic or legal institutions.

Market

A formal or informal structure in which buyers exchange goods, labour or services for cash or other goods. It is defined by forces of supply and demand, rather than geographical location.

Market chain or supply chain

These terms are usually used to refer to one of the chains in a sub-sector that delivers a particular product and can be defined as the vertical chain of organisations and activities involved in producing and delivering particular goods or services. A market or supply chain is simply a description of the chain regardless of how it is organised or how it functions.

Market development (or Making Markets Work for the Poor)

This is an approach to developing market systems so that they function more effectively, sustainably and beneficially for poor people, building their capacities and offering them the opportunity to enhance their lives[3].

Market maps

A market map is a pictorial representation of the links between organisations and their activities that enable a product to travel from the original producer to final sale to the consumer. Formal market analysis studies tend to use vertical maps, with specific symbols to distinguish consumers, retailers and other market actors. Market maps are often used to identify points at which there is a change in ownership or value in a product.

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[3] The Springfield Centre (2008), ***A Synthesis of the Making Markets Work for the Poor (M4P) Approach.*** SDC and DfID. Available: http://www.m4pnetwork.org or http://www.value-chains.org/dyn/bds/docs/detail/681/6

Participatory rural appraisal

Participatory rural appraisal is one of the techniques used for gathering information on community resources and needs for use in literacy and community development programmes. The techniques include the use of transect walks, maps, calendars, matrices, and diagrams using locally available materials.

Private sector

Businesses or organisations run for profit by private individuals and not subject to government control.

Secure livelihood

Having access to the income and resources necessary to meet basic needs and survive shocks. It also means having more control over how the living is made.

Sub-sector

A sub-sector is the main level of analysis for market research. A market sub-sector is the main level of analysis for market studies. It consists of producers and enterprises (traders, processors, wholesalers and retailers) that buy and sell a particular product and supply it to its final consumer.

A sub-sector often consists of a number of market channels that involve different actors working together to enable the product to reach the final consumer. Depending on the level of analysis required, a sub-sector can be described at a local, national, regional or even global level.

Each of the case studies used in this course focuses on a different sub-sector – fruit and vegetables in Tanzania, smallholder dairy production in Malawi and eco-tourism in Kazakhstan.

Value chain

A value chain is a particular form of supply chain that implies vertical alliances or strategic networks between businesses with the aim of meeting a particular customer need. A useful definition is, 'a vertical alliance of enterprises collaborating to achieve a more rewarding position in the market'. There are three key elements to a value chain: sharing of profits more equally among market actors, good governance of the chain and market focused collaboration between all actors.

Value chain analysis

Value chain analysis usually focuses on a single product, such as coffee, and identifies the different potential markets for it. Research will concentrate upon the structure of the market, the actors involved and the points at which it changes in value to establish the constraints and opportunities for developing the market and increasing profitability.

Value chain development

The process of upgrading a particular market chain in order to improve the participation of poor and marginalised people associated with the chain and thereby increasing the benefits flowing to them, through strengthening the three elements mentioned above: sharing of profits more equally among market actors, good governance of the chain and market focused collaboration between all actors.

PART 3: PARTICIPANT HANDOUTS

PART 3: PARTICIPANT HANDOUTS

The documents included on the CD accompanying this manual form a suggested handout pack for participants. As noted in Part 1, the workshop is designed to be adapted to suit the learning needs and interests of participants and the particular context in which it is being delivered, therefore you need to decide whether it is appropriate to provide all the handouts or just a selection.

We recommend that you also provide participants with a printout of the PowerPoint slides so that they can return to key points and record their own notes as they go along.

Handout name	Corresponding session
1. Market development – definitions and principles	3
2. Private sector, development and volunteering	3
3. Value chain examples	4
4. Market chains, value chains and value chain development	4
5. Livelihoods analysis questions	5 & 6
6. Selecting a market	5
7. Research capacity	6
8. Calculating gross margins	6
9. Informant advantages and disadvantages	6
10. Data collection tools	7
11. Recoup interview guide	7
12. Data analysis	10
13. Main elements of value chain analysis	11
14. Stakeholder meeting agenda	12
15. Stakeholder meetings	12

PART 4: REFERENCES AND ADDITIONAL RESOURCES

REFERENCES AND ADDITIONAL RESOURCES

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